

PCF Group 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 16 detailed principles: 1.2., 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 2.7., 2.11.6., 3.5., 3.9., 5.6., 5.7., 6.2., 6.3.

### I. 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 not applied.*  
**Comments of the Company:** *The Company takes efforts to publish its periodic reports as soon as possible after the end of the reporting period. However, the publication schedule is influenced the expanding scope of the statutory periodic reports and the need to complete the necessary financial data audits or reviews, as well as the character and complexity of the Company's Group. The Company does not publish its preliminary financial estimates but it communicates material events affecting its financial performance to the market in the manner stipulated in the Market Abuse Regulation (MAR) and in accordance with the Polish law.*
- 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 not applied.*  
**Comments of the Company:** *The Company does not integrate ESG factors, including environmental factors and sustainable development, in its strategy. As an AAA games developer, the Company is not an enterprise exerting significant impact on the environment. Nevertheless, in its current activity the Company undertakes sustainable development actions and initiatives, including those aimed at reducing a negative impact on the environment, e.g. by implementing electronic document flows in the Company and its Group or by leasing the Company's headquarters in an LEED Platinum-certified complex, which represents the highest attainable rank in the LEED green building rating system. The Company does not rule out reviewing its business strategy in the future to integrate the ESG factors.*

- 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 not applied.*  
**Comments of the Company:** *The Company does not integrate ESG factors. However, the core asset in the Company's business is its international, multicultural team and its commitment to delivering the world-class gaming experience. The Management Board therefore believes that the human factor (in particular the commitment of the employees and their job satisfaction) is crucial to the Company's results, and that neglects in this area may result in reduced (or fluctuating) productivity and impair the Company's competitiveness. The Company provides its employees with agreeable working conditions and a variety of employee benefits. With the multinational team propelling the Company and the Group, the Company supports and implements the diversity policy, believing that social diversity and inclusivity open an opportunity to attract new talent and drive team innovation by confronting different approaches to, and different ideas on, problem solving. The Company expands its team continuously and vigorously. Gender is not a criterion for access to any jobs, including access to the key positions, nor is it a factor differentiating the terms of employment on a given position. In particular, gender is not a criterion differentiating the remuneration of women and men holding the same positions. The Company does not rule out revising its business strategy in the future to include ESG issues.*
- 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:** *The Company publishes information on the business strategy, goals, including in particular the long-term goals and planned actions, on the Company's website. Save for the applicable disclosure obligations, the Company does not publish on its website any information on the progress of its strategy. As at the date of publication of this statement on application of the 2021 WSE Best Practice, the Company's communications do not integrate all measures described in this principle, including the ESG strategy.*
- 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 not applied.*  
**Comments of the Company:** *As explained with respect to principle 1.3, the Company does not integrate the ESG factors in its current business strategy. As an AAA games developer, the Company does not operate in a sector which has a significant impact on the environment. However, the Management Board and the managing bodies of the Group Companies make efforts to ensure that eco-friendly solutions are applied in the administrative functions of the enterprise.*
- 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 not applied.*  
**Comments of the Company:** *The remuneration differences in the Company and the Group Companies reflect the specific nature and types of positions and the general remuneration dynamics in the game development industry. Since the employment structure in the Company's and its Group's industry is characterized by imbalance towards one gender, an equality index published for the whole enterprise as proposed in the principle would be biased and misleading. As explained with respect to principle 1.3.2, the Company applies the "equal pay for equal jobs" policy for men and women hired on the same positions, and gender is not a factor affecting the terms of employment.*
- 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.*  
**Comments of the Company:** *Neither the Company nor its Group incur expenses to support culture, sport, charities, media, social organizations, trade unions, etc. In particular, the Company has not incurred such expenses since December 2020 when it became a public company. If the Company or its Group incur expenses for purposes other than directly related to the Company's or its Group's core business in any reporting year, the Company will disclose a summary of such expenses at least once a year, in the Management Report on the Company's and its Group's activities, starting from the year in which such expenditure was incurred.*
- 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.*

## II. 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 :** *The Company fully agrees with the principles of diversity, however it does not have a formal diversity policy for its Management Board or Supervisory Board adopted by the Supervisory Board or General Meeting, respectively. The Company guarantees adherence to the gender parity principle on the level set out in the contemplated principle in its Supervisory Board, although it is not guaranteed in the Management Board. The Company's corporate bodies are composed of members who demonstrate the desired qualifications and professional expertise, with no regard to age, gender or other diversity criteria. In selecting candidates for the supervisory and managing bodies the competent corporate authorities or entities are driven by the best interests of the Company and its shareholders, and take into account the qualifications, skills and expertise of the candidates. Due to the nature of the Company's business activity, its size and the need to solicit members of corporate bodies equipped with specialist knowledge, the decisive criteria for the Company in selecting the employees are solely the qualifications and professional expertise, disregarding any non-substantive attributes, such as age or gender. The Management Board Members and Supervisory Board Members are selected in a manner ensuring that they have adequate educational background, qualifications and expertise to let the Company benefit from these strengths in all areas of the Company's activities. At the same time, due to the Company's dynamic growth, the Company believes that imposing a formalized diversity policy might adversely affect the Company's ability to solicit the persons who have the skills and abilities required by Company at the particular moment of its development.*

**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 :** *Without prejudice to the binding provisions of law, the Company employs persons with adequate qualifications and professional expertise, with no regard to age or gender. In selecting candidates for the supervisory and managing bodies the competent corporate authorities or entities are driven by the best interests of the Company and its shareholders and take into account the qualifications, skills and expertise of the candidates. Due to the nature of the Company's business activity, its size and the need to solicit members of corporate bodies equipped with specialist knowledge, the decisive criteria for the Company in selecting the employees are solely the qualifications and professional expertise, disregarding any non-substantive attributes, such as age or gender. The Management Board Members and Supervisory Board Members are selected in a manner ensuring that they have adequate educational background, qualifications and expertise to let the Company benefit from these strengths in all areas of the Company's activities. At the same time, due to the Company's dynamic growth, the Company believes that imposing a formalized diversity policy might adversely affect the Company's ability to solicit the persons who have the skills and abilities required by Company at the particular moment of its development.*

- 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.*
- 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 applied.*
- 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:** *Neither the Articles of Association nor other Company's corporate documents require the Management Board members to seek Supervisory Board approval for holding positions in corporate bodies of entities other than Group companies. The Company does not rule out making appropriate amendments to its corporate documents to implement the obligation to obtain the Supervisory Board's approval for holding positions in management boards or supervisory boards of any companies outside the Group that engage in competitive activities.*
- 2.8** Supervisory board members should be able to devote the time necessary to perform their duties.  
*The principle is applied.*
- 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.*  
**Comments of the Company:** *The Company provides adequate administrative and financial resources necessary to ensure efficient functioning of the Supervisory Board. The funds allocated to that purpose are not included in the expense planning or budgeting system for the respective period. In particular, in discharging its duties the Supervisory Board may engage external service providers, however the selection criteria are not regulated in the Supervisory Board Rules or any other internal documents of the Company.*
- 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.*
- 2.11.2** summary of the activity of the supervisory board and its committees;  
*The principle is applied.*
- 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.*
- 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.*

**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 not applied.

**Comments of the Company:** Since principle 2.1 is not complied with and no formalized diversity policy with respect to the Management Board and Supervisory Board has been adopted by the Supervisory Board or General Meeting, respectively, the Supervisory Board annual report does not include information regarding these matters.

### III. 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.

Not applicable.

**Comments of the Company:** The principle does not apply to the Company. Due to the size of the Company, no separate units have been established in the Company to perform internal control, risk management and compliance functions. Each systems' tasks are performed by the existing units of the Company. Since 1 January 2023, the internal audit function in the Company is headed by the appointed internal auditor.

**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.

**Comments of the Company:** The Company does not have a Chief Compliance Officer heading the compliance department nor a Chief Risk Officer heading the risk management department. Nonetheless, individuals responsible for risk and compliance management receive fixed remuneration that is not related to short-term results of the Company and additional variable remuneration (bonuses) that depends, among others, on the performance of their tasks. Since 1 January 2023, the Company maintains a formalized internal audit in the form of an internal auditor heading the internal audit function. Internal auditor's remuneration depends on the assigned tasks and is not related to short-term results of the Company.

**3.5** Persons responsible for risk and compliance management report directly to the president or other member of the management board.

The principle is not applied.

**Comments of the Company:** The Company does not have a Chief Compliance Officer heading the compliance department nor a Chief Risk Officer heading the management department. Persons responsible for risk management and compliance systems report directly and indirectly to the President of the Management Board.

**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.

Not applicable.

**Comments of the Company:** The principle does not apply to the Company. Members of the company's group do not appoint persons responsible for risk management or compliance (Chief Risk Officer, Chief Compliance Officer).

- 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.*
- 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 not applied.*  
**Comments of the Company:** *The Supervisory Board monitors and evaluates the efficiency of the internal control, risk management and compliance systems and functions on the basis of, among others, documents and reports submitted to it by the person responsible for the internal audit and other information obtained by the Supervisory Board in the course of its day-to-day operations. However, the Company does not comply with principle 3.9 in relation to risk management and compliance systems due to the lack of separate units responsible for these areas, as explained in the comment to principle 3.2. The Management Board does not prepare the report referred to in this principle.*
- 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.  
*Not applicable.*  
**Comments of the Company:** *The principle does not apply to the Company.*

#### **IV. 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.*
- 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 applied.*
- 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:** *A recommendation to submit draft resolutions at least three days ahead of the General Meeting is made in each invitation to the General 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 applied.*  
**Comments of the Company:** *A recommendation to propose candidates for Supervisory Board members at least three days ahead of the General Meeting will be made in each invitation to the General Meeting whose agenda will provide for changes in the Supervisory Board. Since the Company has no formalized diversity policy in place for the Supervisory Board election by the General Meeting, if the pool of proposed candidates does not guarantee a diversified composition of the Supervisory Board, the Supervisory Board will not be obliged to urge the shareholders to propose other candidates so as to secure such a guarantee.*
- 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.*
- 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.*
- 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:
- 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;
  - the persons granted the pre-emptive right are to be selected according to objective general criteria;
  - 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.*

- 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 does not engage in any regulated activity referred to in item f).*

## V. 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.
- 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.
- 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 ANSWER 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:** *As at the date of publication of this statement on compliance with the 2021 WSE Best Practice, the Articles of Association do not require the Management Board to request the Supervisory Board's consent for the company to enter into a transaction with a related party, nor is it a prerogative of the General Meeting set out in the Articles of Association. Nonetheless, the Company complies with this principle insofar as required under the provisions of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to an Organized System of Trading, and Public Companies concerning transactions with affiliates. In discharging its duties, the Supervisory Board may engage external service providers. If the Supervisory Board's consent is required to enter into a transaction with a related party and it is established that an external service provider needs to be engaged to conduct a valuation of the transaction or analyze its economic ramifications, the Supervisory Board will have the right to seek such an opinion before it adopts the required resolution.*

- 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 ANSWER a prior opinion of a third party referred to in principle 5.5.  
*The principle is not applied.*  
**Comments of the Company:** *The principle does not apply to the Company. As at the date of publication of this statement on compliance with the 2021 WSE Best Practice, the Articles of Association do not require the General Meeting's consent to enter into a transaction with a related party.*
- 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:** *The principle does not apply to the Company. As at the date of publication of this statement on compliance with the 2021 WSE Best Practice, the Articles of Association do not require the General Meeting's consent to enter into a material transaction with a related party.*

## VI. 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.*
- 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 principle does not apply to the Company. As at the date of publication of this 2021 WSE Best Practice compliance statement, the Company has no incentive scheme in place. If the Company launches such a scheme, its intention is to comply with this principle.*
- 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:** *The principle does not apply to the Company. As at the date of publication of this 2021 WSE Best Practice compliance statement the Company has no management options program in place.*
- 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.*
- 6.5** The level of remuneration of supervisory board members should not depend on the company's short-term results.  
*The principle is applied.*