

Zakłady Urządzeń Komputerowych Elzab Spółka Akcyjna

## The information on the compliance by the Company with recommendations and rules contained in the Best Practice for GPW Listed Companies 2016.

According to the current state of the compliance with <g id="Italic">Best Practice</g>, the Company does not comply with 3 recommendations: I.R.2., II.R.2., IV.R.2.

According to the current status of compliance with the Best Practices, the Company does not apply 10 detailed rules: I.Z.1.7., I.Z.1.10., I.Z.1.11., I.Z.1.15., I.Z.1.16., I.Z.1.20., II.Z.2., III.Z.3., IV.Z.2., V.Z.6.

### I. Information policy and communication with investors

**A listed company cares for proper communication with investors and analysts, pursuing a transparent and effective information policy. For this reason, it provides easy and non-discriminatory access to the disclosed information, using a variety of communication tools.**

#### Recommendations

- I. R. 1. If the Company becomes aware of the dissemination of false information in the media, which significantly affects its assessment, immediately after gaining such knowledge, it will publish a message specifying its position on this information, on its website, unless, in the Company's opinion, the nature of the information and the circumstances of its publication provide grounds consider adopting a different solution more appropriate.  
*The rule is applied.*
- I. R. 2. If the Company carries out sponsorship, charity or other activities of a similar nature, it will include information on its policy in this regard in its annual activity statement.  
*The rule is not applied.*  
**Comment of the Company:** *The Company does not conduct policy on sponsorship or charitable activities. Occasionally, the Company supports institutions and individuals from the Silesian region.*
- I. R. 3. The Company should enable investors and analysts to ask questions and obtain, considering the prohibitions resulting from applicable law, explanations on topics of interest. This recommendation may be implemented in the form of open meetings with investors and analysts or in any other form provided for by the Company.  
*The rule is applied.*
- I. R. 4. The Company should make every effort, including sufficiently in advance, to take all steps necessary to draw up the interim statement to enable investors to become acquainted with the financial results achieved as soon as possible after the end of the statement period.  
*The rule is applied.*

#### Detailed rules

- I. Z. 1. The Company has a corporate website and uploads on it, in a legible form and separate place, in addition to the information required by law:
- I. Z. 1. 1. basic corporate documents, in particular the Company's articles of association,  
*The rule is applied.*
- I. Z. 1. 2. the composition of the management board and supervisory board of the Company and the professional CVs of the members of these bodies along with information on the fulfillment of the independence criteria by members of the supervisory board  
*The rule is applied.*
- I. Z. 1. 3. a diagram of the division of tasks and responsibilities among members of the management board, drawn up in accordance with rule II.Z.1,  
*The rule is applied.*
- I. Z. 1. 4. the current shareholding structure, indicating the shareholders holding at least 5% of the total

number of votes in the Company - based on information provided to the Company by shareholders in accordance with applicable regulations,

The rule is applied.

I. Z. 1. 5. current and periodic statements as well as issue prospectuses and information memoranda with annexes, published by the Company within at least the last 5 years,  
The rule is applied.

I. Z. 1. 6. a calendar of corporate events resulting in the acquisition or limitation of rights of a shareholder, a calendar for the publication of financial statements and other events important from the investor's point of view - within the deadline enabling investors to make investment decisions, The rule is applied.

I. Z. 1. 7. information materials published by the Company on the Company's strategy and its financial results,  
The rule is not applied.  
*Comment of the Company: The Company did not publish materials on the Company's strategy and financial results, apart from the obligatory statements.*

I. Z. 1. 8. lists of selected financial data of the company for the last 5 years of operation, in a format enabling the processing of such data by their recipients,  
The rule is applied.

I. Z. 1. 9. information on its expected dividends and dividends paid by the Company in the last 5 financial years, including the data on the day of the dividend, limits and amount of the dividends - in total and per share,  
The rule is applied.

I. Z. 1. 10. financial forecasts - if the Company has decided to publish them - published at least in the last 5 years, along with information on the degree of their implementation,  
The rule is not applied.  
*Comment of the Company: The Company has not decided to publish financial forecasts.*

I. Z. 1. 11. information about the content of the Company's internal rule of changing the entity authorized to audit financial statements, or information about the absence of such rule,  
The rule is not applied.  
*Comment of the Company: There is no formal rule in the Company to change the entity authorized to audit financial statements. Pursuant to the provisions in the Company's articles of association, this entity is selected by the Company's Supervisory Board.*

I. Z. 1. 12. the Company's statement on the application of corporate governance contained in the last published annual statement,  
The rule is applied.

I. Z. 1. 13. information on the status of the Company's application of the recommendations and rules contained in this document, consistent with the information that the Company should provide in this respect on the basis of relevant regulations,  
The rule is applied.

I. Z. 1. 14. materials provided to the general meeting, including assessments, statements and positions indicated in II.Z.10 rule, submitted to the general meeting by the supervisory board,  
The rule is applied.

I. Z. 1. 15. information that contains the description of the Company's diversity policy in relation to the authorities of the Company and its key managers; this description should consider such diversity, gender, education, age, work experience, as well as indicate the purposes of the applied policy of diversity and its implementation in the statement period; if the Company did not draw up and does not implement the policy of diversity on its website - the explanation of the decision.  
The rule is not applied.  
*Comment of the Company: The Company has not developed a diversity policy. The members of the management board and supervisory board of the Company are selected by the Supervisory Board and the General Meeting of the Company, respectively, based on the qualifications of the candidates.*

I. Z. 1. 16. information on the planned broadcast of the general meeting - no later than 7 days before the date of the general meeting,  
The rule is not applied.  
*Comment of the Company: The Company does not plan to broadcast the general meeting due to the fact that lack shareholders are not interested in it and the costs of broadcasting the meeting are high.*

I. Z. 1. 17. justifications for draft resolutions of the general meeting concerning matters and decisions significant or likely to raise doubts among shareholders - within the deadline enabling the participants of the general meeting to become acquainted with them and adopting the resolution with due knowledge,  
The rule is applied.

I. Z. 1. 18. information on the reasons for cancelling, changing the date or agenda of a general meeting, as well as information about breaks in a general meeting and the reasons for ordering the break, The rule is applied.

I. Z. 1. 19. shareholders' questions addressed to the management board pursuant to article 428 § 1 or § 6 of the Commercial Companies Code, along with the management board's answers to the questions asked, or a detailed indication of the reasons for failure to provide an answer, in accordance with IV.Z.13 rule,  
The rule is applied.

I. Z. 1. 20. recording of the course of the general meeting, in the form of audio or video,  
The rule is not applied.

**Comment of the Company:** *The Company does not record the proceedings in the form of audio or video due to the fact that shareholders are not interested in it and due to high costs.*

I. Z. 1. 21. contact details of persons responsible in the Company for communication with investors, indicating the name and surname and e-mail address or telephone number.

The rule is applied.

I. Z. 2. The Company whose shares are included in the WIG20 or mWIG40 exchange indices also ensures that its website is available in English, at least to the extent indicated in I.Z.1 rule. This rule should also be applied by companies outside the above indices if it is justified by their shareholding structure or the nature and scope of their business.

The rule does not apply to the Company.

**Comment of the Company:** *Shares of the Company are not qualified to WIG20, WIG or 40.*

## II. Management Board and Supervisory Board

**A listed company is managed by the management board, its members act in the company's interest and are responsible for its activities. The management board is responsible, in particular, for leadership in the company, commitment to setting its strategic goals and their implementation, as well as ensuring the company's efficiency and security.**

**The company is supervised by an effective and competent supervisory board. Members of the supervisory board act in the interest of the company and follow the independence of their opinions and judgements in their conduct. Supervisory Board in particular, it gives opinions on the company's strategy and verifies the work of the management board in terms of achieving the set strategic goals and monitors the results achieved by the company.**

### Recommendations

II. R. 1. In order to achieve the highest standards with regard to the performance of the duties of the management board and the supervisory board effectively, persons representing high qualifications and experience are appointed to the management board and the supervisory board.

The rule is applied.

II. R. 2. Persons making decisions on the selection of members of the management board or supervisory board of a company should strive to ensure the versatility and diversity of these bodies, including in terms of gender, education, age and professional experience.

The rule is not applied.

**Comment of the Company:** *When selecting members of the management board or supervisory board, the Company's governing bodies by the interests of the Company as well as on the basis of the professional qualifications, experience and education of the candidates.*

II. R. 3. Performing a function on the Company's management board is the main area of professional activity of a management board member. Additional professional activity of a management board member may not lead to such involvement of time and workload as to adversely affect the proper performance of the function in the Company. In particular, a management board member should not be a member of the governing bodies of other entities, if the time devoted to performing functions in other entities prevents him/her from performing his/her duties in the Company reliably.

The rule is applied.

II. R. 4. Supervisory board members should be able to devote the necessary amount of time to performing their duties.

The rule is applied.

II. R. 5. If a supervisory board member resigns or is unable to perform activities, the Company will immediately take appropriate steps to supplement or change the composition of the supervisory board.

The rule is applied.

II. R. 6. The supervisory board, being aware of the expiry of the term of office of members of the management board and their plans for further functions in the management board, takes steps in advance to ensure the effective functioning of the Company's management board.

The rule is applied.

II. R. 7. The Company provides the supervisory board with the possibility of using professional, independent advisory services which, in the opinion of the board, are necessary for the supervisory board to exercise effective supervision in the Company. When selecting an entity providing advisory services, the supervisory board considers the Company's financial situation.

The rule is applied.

### Detailed rules

II. Z. 1. The internal division of responsibilities for individual areas of the Company's activities between the members of the management board should be formulated in a clear and transparent way, and the division scheme is available on the Company's website.

The rule is applied.

II. Z. 2. The presence of members of the company's management board on the management or supervisory boards of companies outside the company's group requires the consent of the supervisory board.

The rule is not applied.

**Comment of the Company:** *The Company's management board members may be a part of management boards or supervisory boards of competing companies without the consent of the supervisory board.*

- II. Z. 3. At least two members of the supervisory board meets the independence criteria, referred to in II.Z.4 rule.  
*The rule is applied.*
- II. Z. 4. Annex II to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive directors or being members of supervisory boards of the listed companies and of the supervisory board commission is applied to the criteria for the independence of the members of the supervisory board. Notwithstanding the provisions of point 1 (b) of the document referred to in the preceding sentence, a person who is an employee of the company, its subsidiary or affiliate, as well as a person associated with those entities based on an agreement of a similar nature, may not be considered as meeting the criteria of the independence. A relationship with a shareholder that excludes the independence of a member of the supervisory board within the meaning of this rule is also understood as meaningful and relevant relationships with a shareholder holding at least 5% of the total number of votes in the company.  
*The rule is applied.*
- II. Z. 5. A member of the supervisory board will provide other members of the board and the management board of the Company with a statement on meeting the criteria of the independence specified in II.Z.4 rule.  
*The rule is applied.*
- II. Z. 6. The supervisory board assesses whether there are any relationships or circumstances that may affect the fulfillment of the independence criteria by a given board member. The assessment of compliance with the independence criteria by members of the supervisory board is presented by the board in accordance with II.Z.10.2 rule.  
*The rule is applied.*
- II. Z. 7. Within the scope of the tasks and functioning of committees acting in the supervisory board, the provisions of Annex I to the Commission Recommendation referred to in II.Z.4 rule are applied. If the audit committee functions are carried out by the supervisory board, the above rules will be applied accordingly.  
*The rule is applied.*
- II. Z. 8. The president of the audit committee meets the criteria of the independence specified in II.Z.4 rule.  
*The rule is applied.*
- II. Z. 9. In order to enable the supervisory board to perform its tasks, the Company's management board provides the supervisory board with access to information on matters relating to the Company.  
*The rule is applied.*
- II. Z. 10. In addition to activities resulting from legal provisions, the supervisory board prepares and presents to the ordinary general meeting once a year:
- II. Z. 10. 1 assessment of the Company's situation, including the assessment of internal control and risk management systems, compliance and the internal audit function; this assessment covers all significant control mechanisms, including in particular those relating to financial statements and operating activities;  
*The rule is applied.*  
*Comment of the Company: An internal audit function has not been established in the Company. The Supervisory Board assesses the functioning of significant systems in the Company.*
- II. Z. 10. 2a statement on the activities of the supervisory board, including at least information on:
- composition of the council and its committees,
  - fulfillment of the independence criteria by members of the supervisory board,
  - the number of meetings of the board and its committees in the statement period,
  - self-assessment of the work of the supervisory board;
- The rule is applied.*
- II. Z. 10. 3 assessment of the manner in which the Company complies with disclosure obligations regarding the application of the rules corporate governance, specified in the Stock Exchange Rules and regulations concerning current and periodic information published by issuers of securities;  
*The rule is applied.*
- II. Z. 10. 4 assessment of the rationality of the Company's policy referred to in I.R.2 recommendation, or information about the lack of such a policy  
*The rule is applied.*
- II. Z. 11. The supervisory board considers and provides its opinion on the issues subject to the resolutions of the general meeting.  
*The rule is applied.*

### III. Internal systems and functions

**A listed company maintains effective systems of: internal control, risk management and supervision over compliance with the law, as well as an effective internal audit function, appropriate to the size of the company and the type and scale of its activities.**

#### Recommendations

- III.R.1. The Company distinguishes within its structure the entities responsible for carrying out tasks in particular systems or functions unless the separation of the organizational units is not justified by the size or nature of the activities carried out by the Company.  
*The rule is applied.*

## Detailed rules

III. Z. 1. The management board of the company is responsible for the implementation and maintenance of effective internal control, risk management, compliance and internal audit functions.

The rule is applied.

*Comment of the Company: An internal audit function has not been established in the Company. However, the Company is considering to establish the internal audit function in the future to comprehensively apply this rule.*

III. Z. 2. Subject to III.Z.3 rule, people responsible for risk management, internal audit and compliance will be directly responsible to the president or other members of the management board and will have the opportunity to report directly to the supervisory board or the audit committee.

The rule is applied.

*Comment of the Company: An internal audit function has not been established in the Company.*

III. Z. 3. With regard to the person in charge of the internal audit function and other people responsible for carrying out its tasks, the rules of the independence specified in the generally accepted international standards of professional practice of internal audit are applied.

The rule is not applied.

*Comment of the Company: An internal audit function has not been established in the Company. However, the Company is considering to establish the internal audit function in the future to comprehensively apply this rule.*

III. Z. 4. At least once a year, a person responsible for internal auditing (in the case of the separation of functions in the company) and the management board present the supervisory board their own assessment of the effectiveness of the systems and functions referred to in III.Z.1 rule, with the corresponding statement.

The rule is applied.

*Comment of the Company: An internal audit function has not been established in the Company. However, the Company is considering to establish the internal audit function in the future to comprehensively apply this rule.*

III. Z. 5. The supervisory board monitors the effectiveness of the systems and functions referred to in III.Z.1 rule, based inter alia on the statements that are periodically provided directly to those responsible for those functions and the management board of the company, and annually assess the effectiveness of these systems and functions, in accordance with II.Z.10.1 rule. If the audit committee operates within the company, it will monitor the effectiveness of the systems and functions referred to in III.Z.1 rule, but does not relieve the supervisory board of an annual assessment of the effectiveness of these systems and functions.

The rule is applied.

*Comment of the Company: Excluding the internal audit function.*

III. Z. 6. If the Company does not have an organisationally separated internal audit function, the audit committee (or the supervisory board, if it acts as an audit committee) every year assesses whether there is a need for such unbundling.

The rule is applied.

## IV. General meeting and relations with shareholders

**The management board of a listed company and its supervisory board should encourage shareholders to become involved in the Company's affairs, primarily through active participation in the general meeting.**

**The general meeting should respect the rights of shareholders and should to ensure that the adopted resolutions do not violate the legitimate interests of individual groups of shareholders.**

**Shareholders participating in the general meeting exercise their rights so as not to violate decency.**

## Recommendations

IV. R. 1. The Company should strive to hold an ordinary general meeting as soon as possible after the publication of the annual statement, setting this date considering the relevant legal provisions.

The rule is applied.

IV. R. 2. If it is justified by the shareholder structure or the company's expectations of shareholders, if the company is able to provide the technical infrastructure necessary for the smooth conduct of the general meeting using electronic means of communication, it will allow the shareholders to participate at the general meeting using such means, in particular by:

- 1) real-time broadcasting of the general meeting;
- 2) real-time, two-way communication within which the shareholders may express their opinions at the general meeting, being in other place than the one of the general meeting,
- 3) carrying out, in person or by a proxy, the voting rights in the course of the general meeting.

The rule is not applied.

*Comment of the Company: Due to the shareholding structure and the lack of expectations of shareholders, as well as economic reasons, the Company does not allow shareholders to participate in the General Meeting by means of electronic communication.*

IV. R. 3. The company aims at ensuring, when the securities issued by the Company are traded in different countries (or on different

markets) and under different legal systems, the implementation of corporate events related to the acquisition of rights on the part of the shareholder would take place on the same dates in all countries in which they are listed.

The rule does not apply to the Company.

*Comment of the Company: Securities issued by the Company are traded only on the domestic market.*

#### Detailed rules

- IV. Z. 1. The Company sets the place and date of the general meeting so as to allow the participation of the largest possible number of shareholders.  
The rule is applied.
- IV. Z. 2. If it is justified by the company's shareholding structure, the company will make broadcasting of the general meeting in real time publicly available.  
The rule is not applied.  
*Comment of the Company: Due to the shareholding structure and economic reasons, the Company does not provide broadcasting of the meetings in real time.*
- IV. Z. 3. Representatives of the media are allowed to be present at general meetings.  
The rule is applied.
- IV. Z. 4. If the management board receives information about the convening of the general meeting pursuant to article 399 § 2 - 4 of the Commercial Companies Code, the management board will immediately perform the activities which it is obliged to perform in connection with the organization and conduct of the general meeting. The rule also applies when a general meeting is convened on the basis of an authorization issued by the registry court in accordance with article 400 § 3 of the Commercial Companies Code.  
The rule is applied.
- IV. Z. 5. The rules of the general meeting as well as the manner of conducting the meeting and adopting resolutions may not hinder the participation of shareholders in the general meeting and the exercise of their rights. Amendments to the rules of the general meeting should come into force at the earliest from the next general meeting. The rule is applied.
- IV. Z. 6. The Company is committed not to prevent or restrict the exercise of the right to participate in the general meeting of shareholders by cancelling the general meeting, changing the date or ordering a break at the meeting.  
The rule is applied.
- IV. Z. 7. A break in a general meeting may only take place in special situations, each time indicated in the justification of the resolution on a break, prepared on the basis of the reasons presented by the shareholder requesting the break.  
The rule is applied.
- IV. Z. 8. The resolution of the general meeting on ordering a break clearly indicates the date of resuming the meeting, but this date may not be a barrier to the participation in the resumed meeting by the majority of shareholders, including minority shareholders.  
The rule is applied.
- IV. Z. 9. The Company will make every efforts to draft resolutions of the general meeting of shareholders with justification, if this facilitates the shareholders to adopt the resolutions with due discernment. If a particular issue is included in the agenda of the general meeting at the request of a shareholder or shareholders, the management board or the president of the general meeting will request for the statement of reasons for the proposed resolution. In important issues or concerns of shareholders, the Company will provide justification unless it otherwise provides shareholders with the information ensuring that the resolution is resolved with due diligence.  
The rule is applied.
- IV. Z. 10. The exercise of shareholders' rights and the manner of exercising their rights may not hinder the proper operation of the Company's bodies.  
The rule is applied.
- IV. Z. 11. Members of the management board and supervisory board participate in the sessions of the general meeting in a composition enabling them to provide substantive answers to questions asked during the general meeting.  
The rule is applied.
- IV. Z. 12. The management board should present to participants of an ordinary general meeting the Company's financial results and other relevant information contained in the financial statements subject to approval by the general meeting. The rule is applied.
- IV. Z. 13. If a shareholder requests information about the Company, the Company's management board will be obliged to respond to the shareholder's request or inform him/her about the refusal to provide such information no later than within 30 days, if the management board has made such a decision pursuant to article 428 § 2 or § 3 of the Commercial Companies Code.  
The rule is applied.
- IV. Z. 14. Resolutions of the general meeting should ensure that the necessary time interval is kept between decisions resulting in specific corporate events and the dates on which the shareholders' rights resulting from these corporate events are established.  
The rule is applied.
- IV. Z. 15. A resolution of the general meeting on the issue of shares with pre-emptive rights should specify the issue price or the mechanism for its determination, or oblige the authorized body to determine it before the subscription right day, within the deadline enabling an investment decision to be made.  
The rule is applied.
- IV. Z. 16. The dividend date and the dividend payment dates should be set so that the period between them is no longer than 15 business days. Setting a longer period between these dates requires justification. The rule is applied.

IV. Z. 17. A resolution of the general meeting on the payment of a conditional dividend may only contain such conditions, the possible fulfillment of which will take place before the dividend date.

The rule is applied.

IV. Z. 18. A resolution of the general meeting on the division of the nominal value of shares should not set the new nominal value of shares at a level lower than PLN 0.50, which could result in a very low unit market value of these shares, which could, in consequence, pose a threat to the correct and reliable valuation of a listed company.

The rule is applied.

## V. Conflict of interest and transactions with affiliates

**For the purposes of this chapter, the definition of an affiliate is adopted as specified in the international accounting standards adopted in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards.**

**The Company should have transparent procedures for preventing conflicts of interest and concluding transactions with affiliates in conditions of a possible conflict of interest. Procedures should provide for methods to identify, disclose and manage such situations.**

### Recommendations

V.R.1. A member of the management board or supervisory board should avoid engaging in professional or non-professional activity that could lead to a conflict of interest or adversely affect his/her reputation as a member of the Company's governing body, and should disclose it immediately in the event of a conflict of interest.

The rule is applied.

### Detailed rules

V.Z.1. No shareholder should be privileged in relation to other shareholders as regards transactions concluded by the Company with shareholders or their affiliates.

The rule is applied.

V.Z.2. A member of the management board or the supervisory board will inform the management board or the supervisory board, respectively, of the conflict of interest or the possibility of its arising, and will not vote on a resolution on a matter in which a conflict of interest may arise in relation to him/her.

The rule is applied.

V.Z.3. A member of the management board or supervisory board may not accept benefits that could affect the impartiality and objectivity in making decisions or adversely affect the assessment of the independence of his/her opinions and judgements.

The rule is applied.

V.Z.4. If a member of the management board or the supervisory board finds that the decision of the management board or supervisory board, respectively, is contrary to the interests of the Company, he/she may request that his/her position on this subject be included in the minutes of the management board or supervisory board meeting.

The rule is applied.

V.Z.5. Prior to the conclusion by the company of a material agreement with a shareholder holding at least 5% of the total number of votes in a company or related entity, the Management Board requests the supervisory board to agree to such a transaction. The Supervisory Board, prior to consent, agrees to assess the impact of such transaction on the company's interest. The above obligation is not subject to typical and market-based transactions as a part of the operating activities of the company with the entities being a part of the group of companies of the company.

If a decision to conclude a material agreement with a related entity by the company is made by the general meeting, before making such a decision, the company will provide all shareholders with access to the information necessary to assess the impact of the transaction on the interests of the company.

The rule is applied.

V.Z.6. In its internal regulations, the Company specifies the criteria and circumstances in which a conflict of interest may arise in the Company, as well as the rules of conduct in the face of a conflict of interest or the possibility of its occurrence. The Company's internal regulations include, but are not limited to, the prevention, identification and resolution of conflicts of interest, as well as the exclusion of a member of the management board or the supervisory board from participation in the consideration of a subject to or at risk of conflict of interest.

The rule is not applied.

**Comment of the Company:** The Company has not introduced specific rules on solving internal conflicts of interest. In the event of a conflict of interest, generally applicable laws are applied.

## VI. Remunerations

**The company has a remuneration policy at least for members of the Company's governing bodies and key managers. The remuneration policy specifies in particular the form, structure and method of determining the remuneration of members of the Company's governing bodies and its key managers.**

#### Recommendations

- VI. R. 1. The remuneration of all members of the Company's governing bodies and key managers should be derived from the remuneration policy.  
The rule is applied.
- VI. R. 2. The remuneration policy should be closely related to the Company's strategy, its short- and long-term purposes, long-term interests and results, and should include solutions to avoid discrimination for any cause.  
The rule is applied.
- VI. R. 3. If there is a remuneration committee in the supervisory board, it will act based on II.Z.7 rule.  
The rule does not apply to the Company.  
*Comment of the Company: There is no remuneration committee in the Company's supervisory board.*
- VI. R. 4. The level of remuneration of members of the management board and supervisory board as well as key managers should be sufficient to recruit, retain and motivate persons with competences necessary for the proper management and supervision over the Company. Remuneration should be adequate to the scope of tasks entrusted to individual persons and should consider additional functions, such as work in supervisory board committees. The rule is applied.

#### Detailed rules

- VI.Z.1. The motivation programmes should be designed to, inter alia, make the level of the remuneration of the members of the management board and its key managers dependent on the company's long-term financial standing and long-term shareholder value and business stability.  
The rule does not apply to the Company.  
*Comment of the Company: The Company has not adopted any incentive programs.*
- VI.Z.2. In order to relate the remuneration of members of the management board and key managers with the company's long-term business and financial purposes, the period between options or other instruments connected to the Company's shares granted under the motivation program and the possibility to carry out them should be at least 2 years.  
The rule does not apply to the Company.  
*Comment of the Company: The Company has not adopted any incentive programs.*
- VI.Z.3. The remuneration of the members of the supervisory board should not depend on options and other derivatives or any other variable components, and should not be subject to the company's performance.  
The rule is applied.
- VI.Z.4. In the activity statement, the company presents the statement on the remuneration policy, including at least:
- 1) general information on the company's remuneration system,
  - 2) information on the conditions and amount of the remuneration for each member of the management board, divided into fixed and variable remuneration components, indicating the key parameters for specifying variable remuneration components and the rules for the payment of severance pay and other payments for the termination of employment, separately for the Company and each unit of the group of companies,
  - 3) information on non-financial remuneration components to which individual directors and key managers are entitled,
  - 4) indication of significant changes that occurred during the last financial year in the remuneration policy, or information on their absence,
  - 5) assessment of the functioning of the remuneration policy from the point of view of achieving its purposes, in particular the long-term value growth for the shareholders and the stability of the Company's operations.
- The rule is applied.