

CORPORATE GOVERNANCE STATEMENT

1.1 A collection of corporate governance principles and scope of their application

The corporate governance binding at Grupa Kęty S.A. results from the legal regulations (particularly the Code of Commercial Companies, and the regulations with regard to the capital market functioning), as well as the guidelines provided in the document entitled ‘The Best Practice for GPW Listed Companies’.

The Management Board of Grupa Kęty discloses this information on the application of corporate governance principles in 2021 pursuant to § 70.6.5 of the Regulation of the Minister of Finance of 29 March 2018 on current and interim information disclosed by the issuers of securities and conditions of considering equivalent the information required by the laws of a country other than a member state.

From 1 January 2016 to 30 June 2021, Grupa Kęty S.A. followed ‘The Best Practice for GPW Listed Companies 2016’, introduced by Resolution No. 26/1413/2015 of the Warsaw Stock Exchange Board on 13 October 2015. Grupa Kęty S.A. complied with all the principles and recommendations provided for in the ‘The Best Practice for GPW Listed Companies 2016’, except for Recommendation IV.R.2, which has not been fully complied with:

Recommendation IV.R.2: If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through:

- 1) live broadcast of the general meeting;
- 2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting;
- 3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary.

Grupa Kęty S.A. provides live broadcasts of its General Meetings in accordance with clause 1 of the recommendation and displays the respective recordings on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/walne-zgromadzenia/>.

At the same time, clauses 2 and 3 of the recommendation have not been fulfilled due to the shareholding structure, the absence of any shareholder notifications regarding their expectations as to conducting the General Meetings with the use of electronic communications means, and no possibility to provide technical infrastructure necessary for the General Meetings to proceed efficiently using electronic communication means and to ensure proper security of electronic communications during the General Meetings of Grupa Kęty S.A.

On 1 July 2021 new principles for corporate governance entered into force: ‘The Best Practice for GPW Listed Companies 2021’ (‘Best Practice’, ‘BPLC 2021’) passed by the Board of the Warsaw Stock Exchange by Resolution No. 13/1834/2021 on 29 March 2021. The document replaced ‘The Best Practice for GPW Listed Companies 2016’.

The collection of corporate governance principles ‘The Best Practice for GPW Listed Companies 2021’ is available on the Warsaw Stock Exchange website at: <https://www.gpw.pl/dobre-praktyki2021>.

On 30 July 2021, Grupa Kęty disclosed in public by way of an EBI report the ‘Information on status of application by the Company of the principles set forth in The Best Practice for GPW Listed Companies 2021’.

The information on Grupa Kęty S.A. compliance with the principles provided for in ‘The Best Practice for GPW Listed Companies 2021’ is available on the Website of Grupa Kęty S.A. at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/>.

Declaration on the compliance with the corporate governance principles in 2021 based on the ‘The Best Practice for GPW Listed Companies 2021’

Publishing the ‘Information on status of application by the Company of the principles set forth in The Best Practice for GPW Listed Companies 2021’ on 30 July 2021, Grupa Kęty S.A. informed that it had complied with all principles, except for: **Principles 2.1., 2.2., 6.4.** Moreover, the Company explained that **Principle 3.7** does not refer to Grupa Kęty S.A.

Principle 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%.’

Grupa Kęty S.A. has not developed or applied any diversity policy with regard to the Company managing and supervisory bodies. The Company has not ensured a balanced proportion of men and women within the Management and Supervisory Boards. The Supervisory Board Members have been appointed by the General Meeting from among the candidates proposed by the Company shareholders.

Principle 2.2. ‘Persons making 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.’

Owing to the fact that Grupa Kęty S.A. has not implemented a diversity policy in reference to the Company managing and supervising bodies, the above principle has not been applied.

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 the members of committees, in particular the audit committee, should take into account additional workload on the committees.’

The remuneration of Supervisory Board Members of Grupa Kęty S.A. is granted in accordance with the Remuneration Policy of Grupa KETY S.A. Management Board and Supervisory Board Members passed by the General Meeting, which makes the Supervisory Board Member’s remuneration dependent on the number of meeting held, and does not provide for an additional remuneration for the Supervisory Board Members on account of any additional work related to fulfilling their functions at the Audit Committee or the Nomination and Remuneration Committee of the Supervisory Board. The proposal to update the Remuneration Policy of Grupa KETY S.A. Management Board and Supervisory Board Members in the above scope, for the purpose of considering Principle 6.4 to have been fully applied, will be submitted for the decision of the coming Annual General Meeting to be held in 2022.

Principle 3.7. ‘Principles 3.4 to 3.6 apply also to the company’s group entities which are material to its activity if they appoint persons to perform such tasks.’

Principle 3.7 does not apply to the Company. At the other companies of the Capital Group of Grupa Kęty S.A. of a major importance for its operations there have not been appointed persons responsible for managing the audit, compliance, risk management and internal control systems. Responsible for the maintenance of the functions efficiency within the whole Capital Group and management of the same are the persons employed by the parent company, i.e. Grupa Kęty S.A., who are functionally supported by the selected employees of the companies of a major importance for the operations of the Capital Group. Grupa Kęty S.A. carries out a periodical review of the systems operation within the Capital Group, considering the scale and specifics of its operations, among other things. If a decision is made on a change in the method of the systems functioning and employing people responsible for the functions at other companies, the Principles 3.4–3.6 will be taken into account.

Major shareholders

The shares of Grupa Kęty S.A. have been quoted on Warsaw Stock Exchange since 16 January 1996. As at 31 December 2021, there were the total of 9,650,152 shares of Grupa Kęty S.A. issued, of the nominal value of PLN 2.50 each. As at the date of this document publication the Company shares were quoted as part of the mWIG40 index.

A list of the Company shareholders with over 5% share in the total number of votes at the AGM as at 31 December 2021 and 31 December 2020 is presented in the table below*

	Number of shares as at 6 May 2021	Percentage of capital	Number of shares as at 31 December 2020	Percentage of capital
Nationale Nederlanden OFE	1,527,094	15.82%	1,858,073	19.30%

OFE AVIVA Santander	1,262,355	13.08%	1,297,681	13.48%
OFE PZU ŻŁOTA JESIEŃ	843,143	8.74%	847,272	8.80%
AEGON PTE	654,718	6.78%	692,995	7.20%
MetLife OFE	580,562	6.02%	542,834	5.64%
PTE Allianz Polska	490,167	5.08%	503,871	5.23%
Others	4,292,113	44.48%	3,886,631	40.36%
Total*	9,650,152	100.00%	9,629,357	100.00%

* The shareholding structure covers for 660 shares taken up in 2021, which were admitted to trading in 2021 and registered in the KRS in 2022.

1.2 Management Board

As at 1 January 2021, the Management Board of Grupa Kęty S.A. was composed of:

- Dariusz Mańko – President of the Management Board,
- Rafał Warpechowski – Member of the Management Board,
- Piotr Wysocki – Member of the Management Board,
- Tomasz Grela – Member of the Management Board.

With regard to the end of term of the Management Board, in its resolution of 8 April 2021 the Company appointed Mr Dariusz Mańko President of the Management Board of the 11th term, as well as Messrs Rafał Warpechowski, Piotr Wysocki, and Tomasz Grela Members of the Management Board of the 11th term.

As at 31 December 2021, the Management Board of Grupa Kęty S.A. was composed of:

- Dariusz Mańko – President of the Management Board,
- Rafał Warpechowski – Member of the Management Board,
- Piotr Wysocki – Member of the Management Board,
- Tomasz Grela – Member of the Management Board.

The internal distribution of responsibility for the particular areas of the Company operations among the Management Board Members has been presented in the chart below.

GRI 102-18, GRI 102-19

President of the Management Board	Member of the Management Board (in charge of financial affairs)	Member of the Management Board (in charge of the Extruded Products Segment)	Member of the Management Board (in charge of the Aluminium Systems Segment)
Dariusz Mańko	Rafał Warpechowski	Piotr Wysocki	Tomasz Grela
Directing the Management Board work	Finance and accounting	Supervision and implementation of all strategic and operational affairs at the Extruded Products Segment	Supervision and implementation of all strategic and operational affairs at the Aluminium Systems Segment
Coordination of the segments operation	Management reporting	Cooperation with other segments	Cooperation with other segments
Sustainable development and corporate social responsibility	IT		
Human resources policy	Risk management policy		
Internal audit	Investor relations		
Legal service	Capital investments and restructuring		
Communication			
Supervision of all strategic and operational affairs at the Flexible Packaging Segment			

Detailed information about the particular members of the Management Board, including their qualifications and experience, is presented on the corporate website at: <https://grupakety.com/o-grupie-kety/o-nas/opis-gkk/>.

Competences of the Management Board and information on the method of the Board appointment and operation

The Management Board consists of two to five Members, including the President of the Management Board. The President of the Management Board and other Members of the Board are appointed and recalled by the Supervisory Board. The term of office of the Management Board Members is three years. The Management Board Members are appointed for a joint term of office. If the membership of the Management Board no longer complies with the requirements of the Articles, the Supervisory Board shall immediately pass a resolution on changing the membership of the Management Board.

The Management Board runs the affairs of the Company and represents it. The Company is represented by two Members of the Management Board or one Member of the Management Board jointly with a proxy. Any matters related to running the affairs of the Company, which have not been reserved by the Articles or by law for the General Meeting or the Supervisory Board, fall within the competencies of the Management Board.

The methods of the Management Board operation are determined in detail in the Management Board By-law. The By-law is passed by the Management Board and approved by the Supervisory Board. Acting by the Management Board Members as members of the management boards or supervisory boards of companies outside of the Capital Group requires consent of the Supervisory Board.

The resolutions of the Management Board are passed with absolute majority of votes. In the event of an equal number of votes for and against a resolution, decisive is the vote of the President of the Management Board. The following matters require a resolution of the Management Board:

- a) receiving and presenting annual reports on the operations of the Company and the Capital Group, financial statements, and consolidated financial statements of the Capital Group to the General Meeting;
- b) presenting motions to the General Meeting, along with the opinion of the Supervisory Board, in the following matters:
 - resolutions regarding profit distribution or loss coverage;
 - change of the Company line of business;
 - amendment of the Articles;
 - share capital increase or decrease if the increase or decrease takes place in the manner requiring a resolution of the General Meeting;
 - merger, split or transformation of the Company;
 - winding-up and liquidation of the Company;
 - issue of share-convertible bonds;
 - sale or lease of the enterprise or its organised part, or encumbering thereof with a limited right in property;
 - disposing of interest or shares vested in the Company of the value exceeding PLN 100,000,000 (say: one hundred million zlotys), including by encumbering them, except for disposal for the benefit of the companies within the Capital Group;
 - any provisions related to claims for damages incurred at the moment of founding the company, or management or supervision of the Company;
 - determination of the date of acquiring the right to dividend and dividend payout date;
 - passing resolutions regarding the Company shares redemption;
- c) convening ordinary or extraordinary General Meetings:
 - on the Management Board's own initiative;
 - at a written request of the Supervisory Board;
 - at a written request of the shareholders representing at least one twentieth of the share capital;
- d) division of duties among the Management Board members;
- e) establishment of the Company organisational regulations and organizational structure;
- f) creation or closure of branches, departments, plants and other separated business units of the Company;
- g) granting and recalling of proxy rights and powers of attorney;
- h) establishment of the Company work regulations and rules applicable to the corporate payroll, awards and bonus systems as well as the Corporate Social Benefits Fund;
- i) approval of consolidated budgets, the Company budgets, and strategy of the Capital Group;
- j) granting donations;
- k) making decisions on group redundancies;
- l) disposing of and putting into use the Company assets of the net book value or market value exceeding PLN 200,000.00 (say: two hundred thousand zlotys), except for disposing of and putting into use any

- assets for the benefit of the companies of the Capital Group or within the ordinary course of business of the Company; as well as liquidation of property, plant and equipment of the initial value exceeding PLN 10,000.00 (say: ten thousand zlotys), except for the computer sets and laptops;
- m) taking out cash liabilities in the value exceeding PLN 12,500,000 (say: twelve and a half million zlotys), except for liabilities provided for in the Company budget and liabilities taken out within the Company ordinary course of business, and referring to the purchase of primary aluminium, aluminium billets, electric energy, methane-rich gas, and heat;
 - n) taking out cash liabilities in the value exceeding PLN 1,000,000.00 (say: one million zlotys), in relation to activities which have not been listed in § 14.3 of the Articles, except for liabilities included in the Company budget and liabilities taken out within the ordinary course of business of the Company;
 - o) taking out cash liabilities in one-off value exceeding PLN 200,000.00 (say: two hundred thousand zlotys), under the agreements on providing advisory services to the Company, except for liabilities under the advisory agreements signed with the companies of the Capital Group;
 - p) any other matters requiring the consent of the Supervisory Board under § 14.3 of the Articles;
 - q) referring to the Supervisory Board with a request for opinion in any matter determined by the Management Board;
 - r) entering into significant transactions within the meaning of the Act on Public Offering, except for transactions for which the Act on Public Offering excludes the duty of obtaining the consent of the Supervisory Board or the General Meeting;
 - s) undertaking activities related to internal audit, whereas resolutions in the matters listed below are passed upon prior approval of the Supervisory Board in the respective matter:
 - approval of the Internal Audit Rules,
 - approval of the Annual Internal Audit Plan in reference to risk analysis,
 - approval of the Long-term Internal Audit Plan,
 - approval of the Internal Audit budget and plan of resources,
 - ordering an ad hoc audit task,
 - appointment and recall of the Internal Audit Director,
 - approval of remuneration or any other compensation for the Internal Audit Director which does not result from internal rules or other procedures binding at the Company;
 - t) approval of the Management Board assessment of the effectiveness of internal audit functioning at the Company, along with a respective report, and presenting it to the Supervisory Board.

A resolution of the Management Board may also be required for matters other than listed above, as proposed by the Management Board Members.

The managing persons have no right to decide on the issue or redemption of shares but only to initiate actions in that regard.

In 2021 the Management Board of the Company held 42 meetings.

The principles of the Management Board operation are regulated by the Code of Commercial Companies. The detailed methods of the Management Board operation are determined in the Company Articles and the Management Board By-law, passed by the Management Board and approved by the Supervisory Board, available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/>.

1.3 Supervisory Board and Supervisory Board Committees

Supervisory Board Membership

In the period from 1 January 2021 to 31 December 2021, the Supervisory Board was composed of:

- Mr Piotr Stępnik – Chairman of the Supervisory Board and independent Member of the Supervisory Board,
- Mr Piotr Kaczmarek – Deputy Chairman of the Supervisory Board and independent Member of the Supervisory Board,
- Mr Wojciech Golak – an independent Member of the Supervisory Board,
- Mr Paweł Niedziółka – an independent Member of the Supervisory Board,
- Mr Przemysław Rasz – an independent Member of the Supervisory Board,
- Ms Agnieszka Zalewska – Member of the Supervisory Board.

Detailed information about the particular members of the Supervisory Board, including their qualifications and experience, is presented on the corporate website at: <https://grupakety.com/o-grupie-kety/o-nas/opis-gkk/>

Competences of the Supervisory Board and information on the method of the Board appointment and operation

The Supervisory Board is composed of five or six Members appointed and dismissed by the General Meeting. The term of office of the Supervisory Board is three years. The Supervisory Board Members are appointed for a joint term of office. The General Meeting may dismiss any Member of the Supervisory Board at any time. The membership of the Supervisory Board should comply with the legal regulations providing for the requirement of appointing independent Members of the Supervisory Board.

The Supervisory Board elects the Chairman, the Deputy Chairman and, if needed, the Secretary of the Supervisory Board from among its Members. The Chairman of the Supervisory Board convenes and chairs the Supervisory Board meetings and manages its works. If the Chairman is not able to perform his or her duties or is absent, the Deputy Chairman performs the Chairman's duties.

The Supervisory Board meetings are held at least once in each quarter. The Supervisory Board fulfils its tasks and exercises its rights by passing resolutions at meetings or outside of meetings, in compliance with the Company Article of Association and the Supervisory Board By-law, and through control and advisory activities. The resolutions are passed with a simple majority of votes. In the case of an equal number of votes cast for and against a resolution, the casting vote is exercised by the Supervisory Board Chairman. Resolutions are passed in open voting, except for personal matters which shall be decided in secret voting. Resolutions may be passed if all Board Members have been invited.

The Supervisory Board's responsibilities include in particular:

- 1) evaluation of the Company financial statements and the Management Board reports on the Company operations;
- 2) assessment of the Management Board motions concerning profit distribution or loss coverage;
- 3) submitting written reports on the results of the actions referred to in items 1) and 2) above to the General Meeting;
- 4) submitting assessments regarding the Company standing and other opinions to the General Meeting, particularly in reference to the Company sponsoring and charity activities and fulfilment of disclosure obligations by the Company;
- 5) presenting reports on the Supervisory Board activities to the General Meeting;
- 6) appointment and dismissal of the Management Board Members and determining the principles of their remuneration in accordance with the Remuneration Policy binding at the Company;
- 7) suspending the individual or all Management Board Members in their duties because of important reasons;
- 8) delegating Members of the Supervisory Board to temporarily perform the duties of the Management Board Members who are incapable of discharging their duties;
- 9) approval of the Management Board By-law;
- 10) approval of consolidated budgets, Company budgets, and strategy of the Capital Group;
- 11) electing the statutory auditor to audit the Company financial statements;
- 12) determination of the value of remuneration of the Supervisory Board Members delegated to temporary performance of duties of a Management Board Member, in accordance with the Remuneration Policy binding at the Company;
- 13) presentation to the General Meeting of recommendations and requests regarding amendments to the Remuneration Policy binding at the Company, within the meaning of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies, plus introduction of more detail into the Remuneration Policy binding at the Company, upon approval of the General Meeting;
- 14) preparing an annual Remuneration Report, as provided by the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies.

In addition, the Management Board shall obtain the consent of the Supervisory Board before performing any of the following acts by the Company:

- 1) disposing of and putting into use the Company assets of the value exceeding PLN 50,000,000 (say: fifty million zlotys), except for disposing of and putting into use any assets for the benefit of the companies of the Capital Group or within the ordinary course of business;
- 2) activities, as a result of which the financial debt limit of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;
- 3) activities, as a result of which the off-balance-sheet debt of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;

- 4) taking out cash liabilities in the value exceeding PLN 1,000,000 (say: one million zlotys), under the agreements on providing advisory services to the Company, except for taking out liabilities under advisory agreements signed with the companies of the Capital Group;
- 5) taking out cash liabilities in the value exceeding PLN 12,500,000 (say: twelve and a half million zlotys), in relation to activities which have not been listed in this § 14.3, except for liabilities provided for in the Company budget and liabilities taken out within the Company ordinary course of business;
- 6) creating and joining companies, an taking up or acquiring interest or shares;
- 7) disposing of the interest or shares vested in the Company of the value exceeding PLN 10,000,000 (say: ten million zlotys), including by encumbering them, except for managing for the benefit of the companies within the Capital Group;
- 8) granting finance by the Company based on lending agreements or other activities of similar nature for the amount exceeding PLN 1,000,000 (say: one million zlotys) to companies from outside of the Capital Group, except for the cases specified in the approved Company budget, and except for finance granted within the ordinary course of business;
- 9) exercising the right of vote on shares or interest of the Company in key companies in the matters related to granting a consent for:
 - a) disposing of and putting into use the Company assets of the value exceeding PLN 20,000,000 (say: twenty million zlotys), except for disposing of and putting into use any assets for the benefit of the companies of the Capital Group or within the ordinary course of business of the key company;
 - b) activities, as a result of which the financial debt limit of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;
 - c) activities, as a result of which the off-balance-sheet debt of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;
 - d) creating and joining companies, an taking up or acquiring interest or shares;
 - e) disposing of the interest or shares vested in the Company of the value exceeding PLN 10,000,000 (say: ten million zlotys), including by encumbering them, except for managing for the benefit of the companies within the Capital Group;
- 10) conclusion of an agreement with a member of the Supervisory Board;
- 11) conclusion of a major agreement with a shareholder of the Company who holds at least 5% (say: five percent) of the total number of votes in the General Meeting;
- 12) opening or closing a branch.

In 2021 the Supervisory Board of the Company held 17 meetings. In the meetings and outside of them, the Supervisory Board passed the total of 30 resolutions.

The principles of the Supervisory Board operation are regulated by the Code of Commercial Companies. The detailed methods of the Supervisory Board operation are determined in the Company Articles and the Supervisory Board By-law, passed by the Supervisory Board, available on the Company Website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/>.

The Supervisory Board is a collective body, however, it has delegated some of its powers to the specific committees described below.

COMMITTEES OF THE SUPERVISORY BOARD

The following committees of the Supervisory Board operate at Grupa Kęty S.A.:

- Audit Committee,
- Nomination and Remuneration Committee.

The committees are appointed to make the current work of the Supervisory Board more efficient by preparing, on a current basis, draft decisions of the Supervisory Board concerning its own motions or the motions submitted by the Management Board for examination. The committee members are appointed by virtue of a resolution passed by the Supervisory Board, from among the Supervisory Board Members, and perform their functions until their resignation has been accepted or until their dismissal, in accordance with the appointment procedure. The committee members do not receive any additional remuneration for their work in the committees.

AUDIT COMMITTEE

Audit Committee Membership

In the period from 1 January 2021 to 31 December 2021, the Audit Committee was composed of:

- Mr Piotr Kaczmarek – Chairman of the Audit Committee,
- Mr Wojciech Golak – Member of the Audit Committee,
- Mr Paweł Niedziółka – Member of the Audit Committee,
- Mr Przemysław Rasz – Member of the Audit Committee,
- Mr Piotr Stępiak – Member of the Audit Committee,
- Ms Agnieszka Zalewska – Member of the Audit Committee.

- **Mr Piotr Kaczmarek – Chairman of the Audit Committee**

Mr Piotr Kaczmarek fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

Mr Piotr Kaczmarek is highly experienced in seating at Audit Committees of stock-listed companies, including as Chairman of the Audit Committees (Robyg S.A., Grupa Kęty S.A., Ferro S.A., Harper Hygienics S.A, Erbud S.A., VRG S.A.). He has also worked for more than a decade as a financial analyst, and was awarded the CFA (Chartered Financial Analyst) title and a securities broker licence.

Since 2017, Mr Piotr Kaczmarek has acted as a Member of the Supervisory Board of Grupa Kęty S.A., which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Wojciech Golak – Member of the Audit Committee**

Mr Wojciech Golak fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

Since 2018, Mr Wojciech Golak has acted as a Member of the Audit Committee of Robyg S.A. He completed a post-graduate course in banking run by the Collegium of Management and Finance of the SGH Warsaw School of Economics. He also acted as a representative and receiver of KBC Securities N.V. (joint stock company) Branch in Poland. Mr Wojciech Golak has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2020, which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Paweł Niedziółka – Member of the Committee**

Mr Paweł Niedziółka fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

Mr Paweł Niedziółka has over 20 years of experience in analyses and risk management with regard to financing business companies and structuring of bank financing. He heads the Financial Risk Management Department at the Institute of Banking of the SGH Warsaw School of Economics, and manages the Structural Financing Team at Bank Millennium S.A. where he manages the Financial Risk Management Department and sits at the Audit Committee of the company (previously, he was associated with Credit Lyonnais Bank Polska and Bankgesellschaft Berlin). Mr Paweł Niedziółka has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2014, which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Przemysław Rasz – Member of the Audit Committee**

Mr Przemysław Rasz fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

Mr Przemysław Rasz has a master's degree in engineering. He graduated from a dual programme by the Poznań University of Technology (MSc. Eng.) and the University of Economics in Poznań (Management and Organisation). He also completed a post-graduate course in Business Value Management at the SGH Warsaw School of Economics.

In 2008–2018, Mr Przemysław Rasz chaired Supervisory Board of 8 large commercial and production companies in Central and Eastern Europe (Poland, Slovakia, Czech Republic, Romania, Bulgaria, Hungary, Russia). He also acted as the owner's representative at several Polish and European companies (the total value of equity of ca. EUR 120 million), and Vice President of an European Corporation with equity of about EUR 900 million, where he was responsible for business and financial risk, as well as corporate and accounting compliance. He participated actively in 9 acquisition processes, including as a Project Manager in Poland, Czech Republic, Hungary, Austria and Germany. On the European level, he was responsible for the process as well as business and financial integration (the largest transaction amounted to EUR 1.1

billion) Moreover, he participated in 9 professional due diligence programmes for the purpose of acquisition, including 7 times as the Lead Manager, and once as a member of a 4-person Corporate Steering Committee.

Mr Przemysław Rasz has acted for more than 20 years as the President of the Management Board of a Polish capital group in the construction sector, of the revenue of roughly PLN 300–500 million, where he was responsible for approving the work of the Management Board in the particular reporting years in accordance with the binding accounting standards. In the years 1996–2002, he was President of a company quoted at the main trading floor of the Warsaw Stock Exchange.

For over 28 years he has worked in Polish, European and American civil engineering companies dealing with production, trade and contract performance. He has also managed companies of the construction sector. Further, he served two terms as a Member of the Board of Construction Materials of the Minister/Chief Building Supervision Inspector; two terms as a Member of the Scientific Council of Building Technology Institute in Warsaw; two terms as a Member of the Building Design Chamber in Warsaw; four terms as a Deputy Chairman of the Board of the Polish Chamber of Commerce and Industry for the Construction Business; and two terms as the Chairman of the Construction Committee (KIG) in Warsaw.

- **Mr Piotr Stępniaak – Member of the Audit Committee**

Mr Piotr Stępniaak fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

He possesses theoretical expertise in accounting or financial audit within the meaning of Article 129.1 sentence two of the Act, which he gained by getting a Double Major B.A. degree in Management and Economics with Financial Accounting, an MSM degree (Master of Science in Management) and an EMBA degree (Executive Master in Business Administration).

Mr Piotr Stępniaak has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2017, which contributed to extending his knowledge of the sector in which the Company operates.

- **Ms Agnieszka Zalewska – Member of the Audit Committee**

Ms Agnieszka Zalewska is highly experienced in management, including with regard to legal matters, corporate supervision, and coordination of management processes at companies. She has participated in the performance of strategic and investment projects at companies. She is experienced in the power engineering sector and in financial institutions. According to her declaration, she does not fulfil the independence criteria set out in Article 129.3 of the Act, and does not possess knowledge and skills in accounting or auditing financial statements, within the meaning of Article 129.1 sentence two two of the Act, or knowledge and skills in the sector in which the Company operates, within the meaning of Article 129.5 of the Act.

Detailed information about the particular members of the Audit Committee of the Supervisory Board of Grupa Kęty S.A., including their qualifications and experience, is presented on the corporate website at: <https://grupakety.com/o-grupie-kety/o-nas/opis-gkk/>.

Competences of the Audit Committee and information on the method of the Committee appointment and operation

The Audit Committee consists of at least three Members appointed by the Supervisory Board for its term of office from among its Members. The Committee Members appointed by the Supervisory Board elect one of them as the Chairman of the Committee. At least one Committee Member possesses knowledge and qualifications in accounting or auditing financial statements. Most of the Audit Committee Members, including the Chairman of the Committee, fulfil the independence criteria specified in Article 129.3 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and Public Supervision, as well as in ‘The Best Practice for GPW Listed Companies 2021’. The Audit Committee Members possess knowledge and qualifications related to the industry in which the Company operates. This condition is deemed fulfilled if at least one Committee Member has the knowledge and qualifications related to that industry, or individual Members – within certain areas – have the knowledge and qualifications related to that industry. A Committee Member may be dismissed from the Committee at any time by virtue of a Supervisory Board resolution.

The Committee meetings are opened and chaired by the Committee Chairman or in his absence by another Member of the Committee indicated by the Chairman. The Committee decisions are made in the form of resolutions. The resolutions are passed with an absolute majority of votes. In the event of an equal number of votes for and against a resolution, decisive is the vote of the Chairman, and in his absence – of the other person chairing the Committee meeting, as specified in § 9.1 of the Committee By-law. For the validity of the Committee resolutions proper invitation of all of the Committee Members to the Committee meeting is required,

or consent to holding a meeting of the Committee without formal convening, in accordance with § 8.7 of the Committee By-law, as well as the presence of at least half of the Committee Members at the Committee meeting. The Committee resolutions do not bound the Supervisory Board.

The tasks of the Committee include supporting of the Supervisory Board in the performance of its control and supervisory duties, as well as performance of tasks specified in the generally binding laws, and specifically as regards the:

- 1) monitoring of the financial reporting process, which includes but is not limited to:
 - verification of financial statements as to the correctness and completeness of the information provided therein;
 - providing opinions to the principles of preparing financial statements and the accounting policy at the Company;
 - analysing the reports on the audit of financial statements;
- 2) monitoring the effectiveness of internal control systems, risk management systems and internal audit, also with regard to financial reporting, which includes but is not limited to:
 - assessment of the effectiveness of the particular elements of the systems, including those related to financial reporting and safety of the applied information technologies, and presenting recommendations in that regard to the Supervisory Board;
 - analysis of the detected irregularities in the internal control systems and presentation of recommendations in that regard to the Supervisory Board;
 - examining reports and recommendations issued by the external regulatory or control authorities, applicable to the compliance of the Company activities with the legal regulations as well as schedules of removing the irregularities detected;
- 3) monitoring the performance of financial audit activities, in particular carrying out of audits by an audit firm, taking into account any findings and conclusions of the Polish Agency of Audit Supervision arising from the audits carried out at an audit firm, which includes but is not limited to:
 - recommending to the Supervisory Board of the selection of an audit firm to carry out the audit or review of the Company financial statements;
 - providing opinions on the proposed terms of contract with an audit firm with regard to carrying out the audit or review, including the value and limit of remuneration;
 - assessing the type and scope of services ordered with an audit firm and the remuneration paid on that account, or other considerations for the benefit of the audit firm, with regard to the risk of a conflict of interest occurrence;
 - presenting to the Supervisory Board the conclusions and recommendations resulting from the report on the audit of the financial statements of the Company prepared by an audit firm;
 - expressing opinions regarding the activities undertaken by the Company Management Board in relation to the reservations to the financial statements reported by an audit firm or otherwise reported comments with regard to the correctness of the financial statements or the accounting principles of the Company;
 - assessing and providing opinions with regard to the information provided by the audit firm performing the financial audit activities at the Company in reference to major issues related to the activities, including major irregularities in the internal audit system at the Company as refers to the financial reporting;
- 4) controlling and monitoring the independence of the statutory auditor and the audit firm;
- 5) informing the Supervisory Board about the audit results and explaining how the audit contributed to the fairness of the Company financial reporting, and about the role of the Committee in the auditing process;
- 6) assessing the independence of the statutory auditor and giving consent to the provision by them of the permitted non-audit services to the Company;
- 7) developing a policy of selection of the audit firm to carry out the audit of the Company financial statements;
- 8) developing a policy on the provision of the permitted non-audit services by the audit firm to carry out the audit, the entities related to that audit firm or a member of the audit firm's network;
- 9) determining the procedure of selection of the audit firm to carry out the audit of the Company financial statements;
- 10) presenting recommendations to the Supervisory Board with regard to the selection of an audit firm;
- 11) presenting recommendations to ensure the integrity of the Company financial reporting process;
- 12) preparing opinions within the competencies of the Supervisory Board, providing that the generally binding laws and the internal regulations of the Company permit that;

- 13) performing other tasks resulting from the generally binding laws or tasks entrusted by the Supervisory Board pursuant to Section 2.
- 14) By way of a resolution, the Supervisory Board may entrust the Committee with the performance of activities other than those specified in Section 1, subject that it does not prejudice the generally binding laws.

In 2021 the Audit Committee of the Supervisory Board of Grupa Kęty S.A. held 8 meetings, and its activities focused around the following issues, among other things:

- discussion of offers within the process of auditor selection for the financial statements of Grupa KĘTY S.A., approval of the report on the procedure of audit firm selection and recommendation to the Company Supervisory Board of an audit firm to audit the separate and consolidated financial statements of the Company and its Capital Group in the years 2021 and 2022 and to review the interim condensed separate and consolidated financial statements of the Company and its Capital Group for the periods of 6 months ending 30 June 2021 and 30 June 2022;
- discussion and acceptance of the offer for the services of assessment by an audit firm of the Report on the Remuneration of the Management Board and Supervisory Board Members of Grupa Kęty S.A. for the years 2019 and 2020, in compliance with the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies, and confirmation of the independence of the statutory auditor acting on behalf of the audit firm of Ernst & Young Audyt Polska with regard to the service of assessment of the said report;
- discussion of the conclusions from the audit task entitled 'The Process of Selection and Management of Insurance at the Capital Group of Grupa KĘTY S.A.';
- discussion with the representatives of the audit firm of the results of the audit of the separate and consolidated financial statements of the Company and its Capital Group for the year 2020, as well as conclusions from the audit of the said statements and the Additional Report for the Audit Committee, plus confirmation of the independence from the Company and its Capital Group companies of the audit team and the company of E&Y during the audit carried out;
- discussion of the results of the review of the interim condensed separate and consolidated financial statements of the Company and its Capital Group for 2021, and confirmation of the independence of the audit firm and the statutory auditors delegated to carry out the review of the said statements;
- discussion of the results and conclusions from the review of IT infrastructure security and crisis management, including IT incidents management carried out by independent experts, and consideration of the information of the Management Board with regard to the actions taken and planned in reply to the recommendations comprised in the 'Test of Infrastructure Immunity to Attacks – Conclusions and Recommended Actions' report;
- discussion of the annual Internal Audit Plan for 2022, the assumed methods of selecting the audit tasks, and the number of hours needed to carry out the tasks, plus consideration of the long term Internal Audit for the Year 2022-2024;
- discussion of the functioning of internal control, risk management and compliance systems at Grupa Kęty S.A., and assumptions for a systematic assessment of their efficiency.

The detailed methods of the Audit Committee operation are determined in the Company Articles and the By-law of the Audit Committee of the Supervisory Board of Grupa Kęty S.A., passed by the Supervisory Board, available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/>.

Main assumptions of the policy of selection of the audit firm to carry out the audit of the financial statements of Grupa Kęty S.A.

In accordance with the applicable law, Grupa Kęty S.A. shall have its separate and consolidated financial statements reviewed and audited by an audit firm. The selection of an entity authorised to audit the Company financial statements should be carried out on the basis of the following principles.

1. The entity authorised to audit financial statements shall be selected in a tender procedure by the Supervisory Board of Grupa Kęty S.A., on the basis of a recommendation by the Audit Committee of the Supervisory Board. The decision on the selection is taken in the form of a resolution of the Supervisory Board.
2. When selecting a firm authorised to audit the financial statements, the Supervisory Board of Grupa Kęty S.A. follows the binding Policy and Procedure of an audit firm selection.
3. When selecting the entity authorised to audit the financial statements, the Supervisory Board of Grupa Kęty S.A. focuses on the prior experience of the audit firm in auditing financial statements of companies with the profile of operation similar to those of the Grupa Kęty S.A. Capital Group.
4. The selection is made taking into account the principles of impartiality and independence of the audit firm as well as analysis of the projects carried out by the firm at the Company, going beyond the audit

of the financial statements, in order to avoid a conflict of interest (preserving impartiality and independence).

The policy and procedure of Grupa Kęty S.A. with regard to the selection of an audit firm to carry out the audit of statutory financial statements are available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/polityki/>.

Main assumptions of the policy on the provision of permitted non-audit services by the audit firm carrying out the audit, the entities related to that audit firm or a member of the audit firm's network

1. The Company does not order any prohibited non-audit services in the following periods:
 - a. in the period from the commencement of the respective audited period to the issue of the audit report; and
 - b. in the reporting year directly preceding the period referred to in letter a), in reference to the services listed in Section 3 letter e).
2. The Company may order non-audit services, other than the prohibited non-audit services, subject to their approval by the Audit Committee and after carrying out of the respective assessment of threats and assuring independence in compliance with Article 22b of Directive 2006/43/EC.
3. Prohibited non-audit services are understood to be the services listed below, in accordance with the **Regulation (EU) No 537/2014 of the European Parliament and of the Council**:
 - a. tax services relating to:
 - i. preparation of tax forms;
 - ii. payroll tax;
 - iii. customs duties;
 - iv. identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law;
 - v. support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law;
 - vi. calculation of direct and indirect tax and deferred tax;
 - vii. provision of tax advice;
 - b. services that involve playing any part in the management or decision-making of the audited entity;
 - c. bookkeeping and preparing accounting records and financial statements;
 - d. payroll services;
 - e. designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
 - f. valuation services, including valuations performed in connection with actuarial services or litigation support services;
 - g. legal services, with respect to:
 - i. the provision of general counsel;
 - ii. negotiating on behalf of the audited entity; and
 - iii. acting in an advocacy role in the resolution of litigation;
 - h. services related to the audited entity's internal audit function;
 - i. services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity;
 - j. promoting, dealing in, or underwriting shares in the audited entity;
 - k. human resources services, with respect to:
 - i. management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve:
 - searching for or seeking out candidates for such position; or
 - undertaking reference checks of candidates for such positions;
 - ii. structuring the organisation design; and
 - iii. cost control.

The policy of Grupa Kęty S.A. with regard to providing the permitted non-audit services by the audit firm carrying out the audit, by entities related to that audit firm and by a member of the audit firm's network is available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/polityki/>.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee Membership

In the period from 1 January 2021 to 31 December 2021, the Nomination and Remuneration Committee was composed of:

- Mr Piotr Stępnik – Chairman of the Nomination and Remuneration Committee,
- Mr Wojciech Golak – Member of the Nomination and Remuneration Committee,
- Mr Piotr Kaczmarek – Member of the Nomination and Remuneration Committee,
- Mr Paweł Niedziółka – Member of the Nomination and Remuneration Committee,
- Mr Przemysław Rasz – Member of the Nomination and Remuneration Committee,
- Ms Agnieszka Zalewska – Member of the Nomination and Remuneration Committee.

In 2021, the Nomination and Remuneration Committee acted pursuant to the Code of Commercial Companies, as well as the Company Articles of Association and the Nomination and Remuneration Committee By-law. The activities of the Committee focused on the following issues:

- discussion of changes in the bonus system for the Management Board Members, in relation to the adopted Strategy of Grupa KĘTY S.A. Capital Group development for the years 2021–2025, and the coming appointment of the Management Board Members for the 11th term;
- verification of the calculation of the annual incentive for the Members of the Management Board of Grupa KĘTY S.A. for 2020 and submission of a recommendation to the Supervisory Board;
- recommendation of the Supervisory Board with regard to adoption of the Report on Remuneration of the Management Board and Supervisory Board members for the years 2019 and 2020;
- consideration of the Company competence with regard to acquisitions and mergers with other companies;
- discussion and recommendation to the Supervisory Board of the adoption of amendments in the 2021 principles of remuneration and the terms of employment specified for the particular Management Board Members and appointment of the Management Board Members for the 11th term;
- discussion of the status of application by the Company of the principles set forth in document entitled ‘The Best Practice for GPW Listed Companies 2021’, including the principles regarding the Company’s possession of a Diversity Policy, ensuring versatility of the Management Board and the Supervisory Board, as well as the principles regarding remuneration of the Supervisory Board Members, including the Members of the Supervisory Board Committees;
- discussion of the proposal of the 2022 bonus plan for the Management Board Members.

Competences of the Nomination and Remuneration Committee and information on the method of the Committee appointment and operation

1. The basic competencies of the Committee include but are not limited to:
 - a) as regards the Management Board Members nominations:
 - carrying out recruitment procedures with the aim to find candidates to act as the Management Board Members;
 - presenting recommendations to the Supervisory Board in reference to a candidate or candidates to act as the Management Board Members;
 - presenting recommendations to the Supervisory Board in reference to the structure, size and membership of the Management Board.
 - b) as regards remuneration:
 - analysing the Management Board Members remuneration system, which includes analysing all of the components of the remuneration due and paid to the Management Board Members, as well as carrying out a comparative analysis in reference to other entities operating on the market of similar scale and profile of operation (if available), and presenting recommendations in that regard to the Supervisory Board;
 - if the General Meeting authorises the Supervisory Board to specify the elements of the Remuneration Policy with more detail in accordance with the binding laws;
 - presenting recommendations and proposals of the detailed scope to the Supervisory Board;
 - presenting recommendations and proposals to the Supervisory Board in reference to the data and information included in the annual report on remuneration prepared by the Supervisory Board in accordance with the applicable laws;
 - presenting recommendations and proposals to the Supervisory Board in reference to amending the Remuneration Policy or the principles of remuneration and the terms of employment specified for the particular Management Board Members;
 - if the Company has implemented an incentive scheme (e.g. Management Options Plan) – carrying out an analysis and presenting recommendations and proposals to the Supervisory Board in reference to the scheme assumptions and terms.
2. The Committee shall cooperate with external auditors employed by the Company as regards assessment of the remuneration paid to the Management Board Members.

3. When performing their functions, the Committee may not trespass the competencies granted to the Supervisory Board.
4. Without prejudice to the generally binding laws, and in consideration of the scope of tasks of the Committee, as set out in the Committee By-law, the Committee may – without intermediation of the Supervisory Board – claim the provision of information and explanations or submission of documents needed for the performance of their tasks.
5. The Management Board or other persons indicated by the Management Board provide the Committee with access to documents and technical means needed for the performance of their tasks.

The Committee consists of at least three Members appointed for the term of the Supervisory Board. The Committee Members are appointed by virtue of a resolution passed by the Supervisory Board, from among the Supervisory Board Members, and perform their functions until their resignation has been accepted or until their dismissal, in accordance with the appointment procedure. The Committee appoints a Chairman of the Committee from among the Committee Members, by way of a resolution. The Committee Members do not receive, either directly or indirectly, any additional remuneration for their membership in the Committee.

In 2021 the Nomination and Remuneration Committee held 8 meetings.

The detailed methods of the Nomination and Remuneration Committee operation are determined in the Company Articles and the Nomination and Remuneration Committee By-law passed of the Supervisory Board, which are available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/>.

1.4 General Meeting and rights of the shareholders

The methods of Grupa Kęty S.A. General Meeting operation and the basic rights of the General Meeting are regulated by the Company Articles of Association and the General Meeting By-law. The documents are available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/>.

General Meetings are held at the registered office of the Company in Bielsko-Biała or in Warsaw. They are convened by the Management Board on the basis of an announcement published on the corporate website, in the manner specified for current information disclosure, in accordance with the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies. A General Meeting may also be convened by the Supervisory Board or shareholders representing at least half of the share capital. The shareholders representing at least 5% of the share capital may request convening of a General Meeting and including certain items in the agenda of the Meeting.

A General Meeting is valid regardless of the number of shares represented at it. In accordance with the approved By-law of the General Meeting, a session of the General Meeting is opened by an authorised person, in accordance with the Articles provisions. The person opening the General Meeting orders the selection of the General Meeting Chairman from among the participants. Every participant is entitled to report into the minutes one candidate for the function of the General Meeting Chairman. The persons reported are entered in the list of candidates, providing that they agree to stand as candidates.

The selection of the General Meeting Chairman takes place in secret voting by way of voting for each of the candidates separately. The Chairman is the person with the largest number of votes cast. If more than one candidate receive the equal largest number of votes, the person opening the General Meeting orders supplementary voting for the candidates with the equal largest number of votes. The Chairman is the person with the largest number of votes cast in the supplementary voting.

After having selected the Chairman of the General Meeting, the person opening the General Meeting hands over the conducting of the General Meeting to the Chairman of the General Meeting, who verifies the correctness of preparing the list of attendance at the General Meeting and in the absence of reservations signs the same, confirms the correctness of convening the General Meeting as well as its capacity to pass resolutions in the matters included in the session agenda, based on the submitted documents related to the convening of the General Meeting, the attendance list and the original powers of attorney, and also the possible motions filed in that regard by a person entitled to vote, then orders the acceptance of the agenda, and orders voting on the selection of the vote-counting committee, if they deem the committee appointment needed. In the absence of

grounds for determining the correctness of convening the Meeting or capacity to pass resolutions, the Chairman of the General Meeting closes the Meeting session.

During a session the duties and rights of the Chairman include caring for the compliance of the course of proceedings with the provisions of the Code of Commercial Companies, the Articles and the By-law, giving the floor and asking questions to the participants, as well as the persons identified in § 6.2 of the General Meeting By-law, taking the floor away from the participants, ordering voting on removing from the meeting room any persons which grossly breach the law, the provisions of the Articles, the provisions of the By-law or good manners, ordering breaks during the meeting, cooperation with the notary public taking down the minutes from the General Meeting, ordering voting on the resolutions of the General Meeting, determining the correctness of the course of voting and the voting results, taking a stand with regard to the motions reported by the participants and, when such need is determined, ordering voting in the subject-matter of the motions, introducing into the agenda any matters of organisational nature, solving doubts as to the interpretation of the provisions of the General Meeting By-law.

Due to the fact that the Company is stock listed, only the shareholders who have obtained their status at 16 days prior to the date of the General Meeting at the latest may participate in it and exercise their voting rights. Furthermore, the Members of the Management and Supervisory Boards, the Company auditor and other persons invited by the governing body convening the General Meeting, including the representatives of media, may participate in the Meeting, unless, at the request of a participant filed before proceeding to the discussion over the issues included in the agenda, the General Meeting decides otherwise with a simple majority of votes.

The list of shareholders entitled to participate in the General Meeting, signed by the Management Board, and including the names and surnames or business names of the entitled persons or companies, their addresses (addresses of registered offices), the number of their shares and votes, is available at the registered office/on the premises of the Company Management Board three business days prior to the General Meeting.

Pursuant to the Company Articles of Association, the General Meeting of Grupa Kęty S.A. By-law as well as the legal regulations, the Company shareholders may, specifically:

- participate in the General Meeting and exercise their voting rights in person or through plenipotentiaries;
- run for the position of the General Meeting Chairman or propose one candidate for the position to be included in the minutes;
- report draft resolutions on matters included in the agenda but not related to organisational matters;
- submit proposals of amendments and supplements to draft resolutions included in the General Meeting agenda by the time of closing the discussion on the items of the agenda concerning the draft resolutions to which such proposals pertain;
- take the floor and ask questions concerning each item on the agenda;
- demand secret voting;
- demand inclusion in the minutes of their objections and other statements;
- demand information from the Company Management Board concerning the items on the General Meeting agenda in the case of and subject to exceptions provided for in legal regulations;
- demand the list of shareholders to be e-mailed to them free of charge, indicating the e-mail address to which such a list should be sent. A shareholder may examine the list of shareholders on the Management Board's premises and demand a copy of the list, paying the costs of its preparation;
- examine the books of minutes of the General Meeting and request copies of resolutions certified by the Management Board;
- appeal against resolutions of the General Meeting in the cases provided for in legal regulations.

The participants attending the General Meeting confirm their presence with their own signature in the attendance list laid out in the meeting room and collect the voting sheets. The representatives and attorneys, before entry into the attendance list, submit to the minutes the documents which undoubtedly prove their legal authorisation to representation in the General Meeting, unless the power of attorney has been granted in electronic form, and they sign the attendance list legibly with their full name and surname, next to the surname or name of the principal. The attendance list must include specifically: the name and surname or company name of each participant, determination of the document based on which the identity of the participant has been confirmed, and in the case of representatives and attorneys of the participants, additionally specified should be: the name and surname or company name of the participant replaced by the representative or the attorney, and the source of representation (e.g. attorney, statutory representative), identification of the basis on which the participant is entitled to participate in the General Meeting (e.g. shareholder, pledgee), the number of shares held by the participant and the number of votes vested in the respective participant.

The attendance list is laid out throughout the term of the General Meeting, until the Meeting session is closed. The persons preparing the attendance list are obliged to include therein any changes in the membership and the number of the represented shares before each voting. The attendance list is signed by the participants and by the Chairman of the General Meeting.

The course of the General Meeting is recorded in the minutes by a notary public, and the minutes must include specifically a statement on the correctness of convening the General Meeting and its capacity to pass resolutions in the matters covered by the agenda, the text of the resolutions passed, as well as the number of votes cast for each resolution and the reported reservations. The minutes are signed by the Chairman of the General Meeting and the notary public. An excerpt from the minutes together with the evidence of convening the General Meeting and the documents referred to in § 12.2 of the By-law are attached by the Management Board to the book of minutes. The book of minutes includes the minutes of the vote-counting committee from the results of voting, if the committee has been appointed, as well as the voting sheets, if the voting has been carried out with the use of voting sheets.

The resolutions of a General Meeting are passed with the majority of votes, as set out in the Articles of Association and the Code of Commercial Companies. The voting is carried out with the use of a vote counting system ensuring that the number of votes cast is equivalent to the number of votes possessed, as well as eliminating – in the event of secret voting – the possibility of identifying the method of casting votes by the particular persons authorised to vote. The voting is open. Secret voting is ordered during the elections and with regard to motions regarding dismissal of the members of the Company governing bodies, bringing them to justice as well as with respect to personal matters. Secret voting is also ordered when at least one shareholder present or represented at the General Meeting so requests.

After discussing all the matters included in the agenda, the Chairman announces the closing of the General Meeting. The proceedings of the General Meeting are broadcast live and recorded, and further uploaded to the website of Grupa Kęty S.A. to be watched at a chosen time.

In 2021 there was held one General Meeting, i.e. the Annual General Meeting on 12 May 2021, which passed 20 resolutions. Detailed information on General Meetings, and the resolutions passed are available on the corporate website at: <https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/walne-zgromadzenia/>

1.5 Amendments to the Company Articles of Association

Any amendment to the Articles of Association requires a resolution of the General Meeting passed with the majority of 3/4 of votes, and the amendment must be entered in the National Court Register (Article 430 of the Code of Commercial Companies). Reporting of the amendment to the Articles is the responsibility of the Company Management Board. The Management Board is obliged to report an amendment to the Articles within three months of the adoption of the respective resolution.

Information on the issued securities and limitations in the exercise of the right of vote

a) Holders of securities with special control powers

The Company has not issued any securities with special control powers. The Company Articles of Association do not provide for any powers in that regard. The shares of Grupa Kęty S.A. are ordinary bearer shares. Each share entitles its holder to one vote at the General Meeting.

b) Indication of any limitations with regard to the exercise of the right of vote

The Company has not introduced any special limitations on the exercise of the right of vote. The Company Articles of Association do not provide for any limitations in that regard.

c) Restrictions on the transfer of securities ownership rights

The transfer of ownership rights with regard to the securities issued by the Company is not restricted. The Company Articles of Association do not provide for any limitations in that regard.

1.6 Diversity Policy with regard to the managing and supervisory bodies of Grupa Kęty S.A.

GRI 103-1,2,3 as regards 'Diversity and Equal Opportunities'

Grupa Kęty S.A. has not developed or applied any diversity policy with regard to the Company managing and supervisory bodies. Therefore, the Company has not ensured a balanced proportion of men and women within the Management and Supervisory Boards. The four-person Management Board consists of men only. In the six-person Supervisory Board of the 11th term there was one woman as at 31 December 2021. The Supervisory Board Members have been appointed by the General Meeting from among the candidates proposed by the Company shareholders.

1.7 Internal control and risk management systems in the process of financial statements preparation

The Management Board of Grupa Kęty S.A. is responsible for the development and implementation of appropriate, effective and efficient internal control and risk management systems in relation to the process of preparing financial statements. The Financial Division, supervised by the Member of the Management Board of Grupa Kęty S.A. acting as the Financial Director, is responsible for the preparation of financial statements, interim financial reporting and provision of management information.

The financial statements are prepared in cooperation with Dekret Centrum Rachunkowe sp. z o.o., a wholly-owned subsidiary of Grupa Kęty S.A. Dekret employs accounting specialists whose knowledge is supported with the required certificates and education as well as adequate experience.

Grupa Kęty S.A. adopted the Accounting Policy conforming to the International Financial Reporting Standards, the chart of accounts and reporting databases, having regard for the format and detailed nature of the financial figures presented in financial statements.

The aim of the internal control system within the process of preparing financial statements is to ensure accurate, complete and correct accounting for all business transactions in a given period. The system is based on the division of duties, the approval of transactions and data on multiple levels, and verification of correctness of the obtained information.

Additionally, in accordance with the binding legal regulations, the Company has its financial statements audited (annual statements) or reviewed (semi-annual statements) by an independent statutory auditor. The statutory auditor is selected by the Supervisory Board from among the established audit firms, based on the Audit Committee recommendations. Within the audit work, the statutory auditor provides an independent assessment of the fairness and correctness of separate and consolidated financial statements and takes into account the efficiency of the internal control and risk management systems.

The process of preparing financial statements comprises control mechanisms of technical nature (numerical and logical control formulas) and substantive nature (the analysis of control reports outcomes). The following risks have been identified in the process of preparing financial statements:

- erroneous input data;
- faulty data presentation;
- application of erroneous estimates;
- missing IT systems integration.

The risks are mitigated by:

- maintenance of a uniform system of data mapping from the source systems to financial statements, which ensures the proper presentation of data;
- periodical reviews conducted by internal specialists, with the main purpose to confront their knowledge with the financial figures and detect any possible improper presentations of data and erroneous input data;
- making estimates based on the best knowledge of the Management Board, including also with the assistance of independent advisers (e.g. licensed actuaries or property appraisers), if needed;
- auditing the annual separate and consolidated financial statements as well as reviewing the semi-annual separate and consolidated financial statements of the Company and the Capital Group by an independent auditor, for the purpose of detecting the possible major irregularities, including omissions in the process of financial reporting;
- use of an integrated in-house IT system (ensuring complete data integration), which is subject to control in accordance with the Company security procedures binding for that system;

- application of uniform principles in the reporting process of the Capital Group companies, and compliance with the uniform chart of accounts binding at the Group.

Observance of the respective laws and regulations (compliance-related tasks)

The organisational structures of Grupa Kęty S.A. enable the coordination of measures aimed at ensuring compliance with the respective laws and regulations, both at the business segments and at the Capital Group level. The structures comprise the selected departments of Grupa Kęty S.A. responsible for separate areas, the corresponding structures at the subsidiaries, the Group procedures system called OrangeBook as well as the defined competencies and responsibilities of each area.

The OrangeBook – being an established system of guidelines – enables the Capital Group companies to take advantage of the common knowledge and apply a proper approach to any matters related to legal requirements and conducting business.

Kęty, 24 March 2022