

Representation by COMP S.A. on the application of corporate governance principles in 2023

The representation on the application of corporate governance principles has been prepared in accordance with the requirements set out in § 70(6)(5) and § 71(5) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

I. Corporate governance principles applicable to COMP S.A.

In the financial year 2023, Comp S.A. (also referred to as the "**Company**") applied the corporate governance principles set out in the set of "Best Practice for WSE Listed Companies 2021" ("**CBPLC2021**"). The Best Practices for WSE Listed Companies 2021 is the next version of the corporate governance framework after the 2016 version. CBPLC2021 were adopted by Resolution No 13/1834/2021 of 29 March 2021 of the Supervisory Board of the Warsaw Stock Exchange, and came into force on 1 July 2021.

CBPLC2021 principles were applied in accordance with the Company's representation made on 29 July 2021, in the form of current report on the application of CBPLC2021 principles No 1/2021 dated 29 July 2021 updated by the Company's representation of 24 March 2022 in the form of current report No 1/2022. All of these reports of the Company were published on the Company's website at <http://www.comp.com.pl/relacje-inwestorskie/lad-korporacyjny>.

The contents of CBPLC2021 are available on the Warsaw Stock Exchange website <https://www.gpw.pl/dobre-praktyki>.

Information on the status of Comp S.A.'s application of CBPLC2021 is available at [Corporate governance - COMP S.A.](#) and in the Good Practice Scanner at <https://www.gpw.pl/dpsn-skaner> after searching for Comp S.A.

Applying the principle of maintaining efficient and reliable communication with capital market participants (principle 1.1 of CBPLC2021), the Company operates a website at www.comp.com.pl containing all the necessary and legally required information, and also has accounts on social media platforms, i.e.: [COMP S.A. \(@COMPSA official\) / Twitter](#); [Comp S.A. | Facebook](#); [Comp S.A. | LinkedIn](#).

II. Application of corporate governance principles

During the reporting period, i.e. from 1 January to 31 December 2023, the Company did not apply the following principles on a permanent basis: 1.4.1., 2.1., 2.2., 2.11.6..

1. 1.4.1. *To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others: [...]*

explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

Explanation from the Company: The Company's documents on its website do not explain how the decision-making processes integrate climate change.

2. 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%.

Explanation from the Company: As at the date of this Information on the status of the Company's application of the principles contained in the Best Practice for WSE Listed Companies 2021, the Company does not have a diversity policy in place. Until 1 July 2021, the Company was not required to ensure that the gender diversity of the Company's bodies was no less than 30%. As at 1 July 2021, the composition of the bodies was elected in 2018 for the Management Board, and 2020 for the Supervisory Board. In electing the members of the Management Board and the Supervisory Board, the Company's bodies were guided by the interests of the Company, taking into account the fields of education and professional experience of the candidates for members of the Company's bodies.

3. *2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.*

Explanation from the Company: As at the date of this Information on the status of the Company's application of the principles contained in the Best Practice for WSE Listed Companies 2021, the Company does not have a diversity policy in place. Until 1 July 2021, the Company was not required to ensure that the gender diversity of the Company's bodies was no less than 30%. As at 1 July 2021, the composition of the bodies was elected in 2018 for the Management Board, and 2020 for the Supervisory Board. In electing the members of the Management Board and the Supervisory Board, the Company's bodies were guided by the interests of the Company, taking into account the fields of education and professional experience of the candidates for members of the Company's bodies.

4. *2.11.6. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: [...] information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.*

Explanation from the Company: As at the date of this Information on the status of the Company's application of the principles contained in the Best Practice for WSE Listed Companies 2021, the Company does not have a diversity policy in place. Until 1 July 2021, the Company was not required to ensure that the gender diversity of the Company's bodies was no less than 30%. As at 1 July 2021, the composition of the bodies was elected in 2018 for the Management Board, and 2020 for the Supervisory Board. In electing the members of the Management Board and the Supervisory Board, the Company's bodies were guided by the interests of the Company, taking into account the fields of education and professional experience of the candidates for members of the Company's bodies.

Principles that do not apply to the Company:

3.7. Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

Explanation from the Company: There are no designated risk management and compliance officers or internal audit managers in the group companies.

III. Internal control and risk management systems used in the process of preparation of separate and consolidated financial statements

The Company's internal control system, which covers the process of preparing the financial statements, has been designed to control the risks of the process while maintaining adequate supervision of the correctness of the collection, processing and presentation of the data necessary for the preparation of the financial statements, in compliance with the applicable legislation.

In accordance with the legal status of the Company's financial statements as at the date of this representation, both the annual separate financial statements and the annual consolidated financial statements of the Company's group are audited by an audit firm in accordance with the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (consolidated text: Journal of Laws of 2023, item 1015 as amended) (the "**Act**"). This entity is selected by the Supervisory Board. The selection is made in accordance with the "*Policy for the selection of the audit firm to carry out the audit at Comp Spółka Akcyjna*" adopted by the Audit Committee of the Company's Supervisory Board and on the basis of the "*Procedure for the selection of the audit firm to carry out the audit at Comp Spółka Akcyjna*" also adopted by the Audit Committee of the Company's Supervisory Board.

In addition, with a view to ensuring the reliability of the financial data presented in other interim reports published, the Company has implemented procedures for cooperation with the auditor, ensuring that significant issues related to the recognition of economic events in the books and financial statements are consulted on an ongoing basis. In order, among other things, to oversee the proper execution of the process of preparing the financial statements as well as the cooperation with the auditor, an internal auditor was appointed in the Company as of 25 April 2018.

IV. Shareholders directly or indirectly holding significant holdings of shares, with an indication of the number of shares and percentage of the share capital held by such shareholders, and the number of votes and percentage of the total vote that such shares represent at the general meeting

Information on shareholders directly or indirectly holding significant holdings of the Company's shares, with an indication of the number of shares and percentage of the share capital held by such shareholders, and the number of votes and percentage of the total vote that such shares represent at the general meeting is provided in the introduction to the financial statements.

V. Holders of any securities conferring special control rights, with a description of those rights

Information on holders of any securities conferring special control rights, with a description of those rights is provided in the introduction to the financial statements.

VI. Restrictions on voting rights, such as limitation of the voting rights of holders of a given percentage or number of votes, time limits on the exercising of voting rights, or provisions under which, with the company's cooperation, equity rights attaching to securities are separated from the holding of the securities

Information on any restrictions on the exercise of voting rights is provided in the introduction to the financial statements.

VII. Restrictions on the transfer of ownership rights to the Issuer's securities

Information on any restrictions on the transfer of ownership rights to the Company's securities is provided in the introduction to the financial statements.

VIII. Rules governing the appointment and removal of management personnel and such personnel's powers, particularly the power to make decisions on the issuance or buy-back of shares

Pursuant to § 31 and 32 of the Company's Articles of Association, the Company's Management Board is composed of three to eight members appointed for a joint term of office. The Management Board comprises: the President of the Management Board and two to three Vice-Presidents of the Management Board, and in the case of a Management Board composed of more than three members, also the members of the Management Board. The term of office of the Management Board is four years. The Management Board of the Company is appointed by the Supervisory Board, determining the number of Management Board members for each term of office and the function to be performed by the person appointed to the Management Board. A change of function on the Management Board of the Company is not permitted without first dismissing the person concerned from the Management Board of the Company. The Supervisory Board may dismiss a member of the Management Board or the entire Management Board of the Company before the expiry of the term of office.

The Management Board manages the Company's affairs and represent the Company before third parties. All matters related to the management of the Company which do not fall within the exclusive scope of competence of the General Meeting or the Supervisory Board under the law or the Articles of Association, fall within the competence of the Management Board. The President of the Management Board acting independently or two Vice-Presidents of the Management Board acting jointly or a Vice President of the Management Board acting jointly with a member of the Management Board are authorised to make representations of will and to sign on behalf of the Company.

The Company's Management Board does not have the authority to make an independent decision on the issue of shares. The Company's Management Board is only authorised to acquire the Company's shares in accordance with the provisions of the Commercial Companies Code relating to the acquisition of treasury shares.

IX. Rules governing amendments to the Company's Articles of Association

Pursuant to the provisions of the Company's Articles of Association, the General Meeting may only adopt resolutions on matters on the agenda, unless the entire share capital is represented at the Meeting and none of those present has objected to the adoption of the resolution.

The General Meeting may adopt resolutions irrespective of the number of shareholders present or shares represented, unless the Commercial Companies Code provides otherwise. Each share carries the right to one vote at the General Meeting. Resolutions of the General Meeting are adopted by an absolute majority of the votes of the shareholders present at the Meeting, unless the Articles of Association or applicable laws provide otherwise.

§ 24(1)(8) of the Company's Articles of Association states that the powers of the General Meeting include, in particular, amending the Company's Articles of Association.

Pursuant to the provision of Article 415 § 1 of the Commercial Companies Code, a resolution concerning (...) an amendment to the Articles of Association, (...) is adopted by a majority of three quarters of the votes.

X. The operation of the General Meeting, its basic powers and description of shareholders' rights, with the procedure for their exercise, in particular the rules stipulated in the Rules of Procedure for the General Meeting, to the extent not prescribed directly by law

Pursuant to the Company's Articles of Association, general shareholders' meetings may be ordinary or extraordinary. General meetings are held in Warsaw. Ordinary general meetings are held within six months after the end of each financial year.

General meetings are convened by:

- the Management Board, including at the request of shareholders representing at least 5% (five per cent) of the share capital;
- the Supervisory Board or the Chairman of the Supervisory Board;
- shareholders representing at least half of the share capital or at least half of the total votes in the Company, at the same time appointing its Chairman.

The General Meeting may adopt resolutions only on matters included in the agenda. Shareholders representing at least 5% (five per cent) of the share capital may request that specific issues be placed on the agenda of the next general meeting.

Resolutions of the general meeting are adopted by an absolute majority of votes of the shareholders present at the meeting, unless the Articles of Association or applicable laws provide otherwise. Resolutions of the general meeting to pay dividends require a majority of 3/4 of the votes of the shareholders present at the general meeting.

The powers of the general meeting include, in particular, adopting resolutions on: distribution of profit or coverage of loss, merger or transformation of the Company, dissolution and liquidation of the Company, increase or reduction of the share capital, determination of the principles of remuneration of the Supervisory Board members and approval of the rules of procedure of the Supervisory Board, creation and dissolution of special purpose funds, change of the Company's business object, amendment to the Company's Articles of Association, issue of convertible or priority bonds, election of liquidators, any provisions concerning claims for compensation for damage caused in the establishment of the Company or in the exercise of management or supervision; and consideration of matters brought by the Supervisory Board, the Management Board or shareholders.

Voting at general meetings is by open ballot. A secret ballot is ordered in the case of voting on election or removal from office of members of the Company's governing bodies or its liquidators, on bringing them to account and on personnel matters.

No rules of procedure for the general meeting have been adopted at the Company.

XI. Description of the operation of the issuer's management, supervisory or administrative bodies and their committees, including information on the composition of these bodies and changes therein during the last financial year

Information on the composition and rules of procedure of the Company's management and supervisory bodies and their committees is provided in the introduction to the financial statements.

In the period from 1 January to 30 June 2023, the Supervisory Board was composed of the following members:

- Grzegorz Należyty – entrusting him with the function of Chairman of the Company's Supervisory Board,
- Ryszard Trepczynski – entrusting him with the function of Deputy Chairman of the Company's Supervisory Board,
- Jerzy Bartosiewicz – Member of the Supervisory Board,
- Piotr Nowjalis – Member of the Supervisory Board,
- Julian Kutrzeba – Member of the Supervisory Board,
- Krystian Brymora – Member of the Supervisory Board.

On 30 June 2023, Mr Jerzy Bartosiewicz resigned as a member of the Supervisory Board. Accordingly, on 30 June 2023, the General Meeting, by Resolution No 26/2023, appointed Mr Szczepan Strublewski for the current 2-year joint term of office commencing after the appointments of the members of the Supervisory Board of the Company on 30 June 2022 and entrusted him with the function of a member of the Supervisory Board. The resume of the newly appointed member of the Supervisory Board were published by the Company in current report No 22/2023 of 30 June 2023.

Consequently, from 30 June 2023 to 31 December 2023, the composition of the Company's Supervisory Board was as follows:

- Grzegorz Należyty – entrusting him with the function of Chairman of the Company's Supervisory Board,
- Ryszard Trepczynski – entrusting him with the function of Deputy Chairman of the Company's Supervisory Board,
- Piotr Nowjalis – Member of the Supervisory Board,
- Julian Kutrzeba – Member of the Supervisory Board,
- Krystian Brymora – Member of the Supervisory Board;
- Szczepan Strunlewski – Member of the Supervisory Board.

In the period from 1 January to 30 June 2023, the Supervisory Board operated the following committees: Audit Committee, Strategy Committee as well as Nomination and Remuneration Committee. During this period, the composition of the committees was as follows:

Audit Committee of the Comp S.A. Supervisory Board:

- Jerzy Bartosiewicz, Chairman of the Audit Committee of the Company's Supervisory Board,
- Grzegorz Należyty,
- Ryszard Trepczyński.

Strategy Committee of the Comp S.A. Supervisory Board:

- Grzegorz Należyty, Chairman of the Strategy Committee of the Company's Supervisory Board,
- Julian Kutrzeba,
- Piotr Nowjalis.

Nomination and Remuneration Committee of the Comp S.A. Supervisory Board:

- Piotr Nowjalis, Chairman of the Nomination and Remuneration Committee of the Company's Supervisory Board,
- Jerzy Bartosiewicz,
- Grzegorz Należyty.

Following the changes of 30 June 2023 in the composition of the Supervisory Board, on 24 August 2023 the Supervisory Board appointed:

1. Mr Piotr Nowjalis to serve as a member of the Audit Committee of the Supervisory Board and entrusted him with the function of Chairman of the Audit Committee of the Supervisory Board;
2. Mr Krystian Brymora to serve as a member of the Nomination and Remuneration Committee of the Supervisory Board.

In addition, following the resignation of Mr Piotr Nowjalis from his position as a member of the Strategy Committee of the Company's Supervisory Board on 24 August 2023, the Supervisory Board appointed Mr Szczepan Strublewski to serve as a member of the Strategy Committee of the Supervisory Board.

Accordingly, from 24 August 2023 to 31 December 2023, the composition of the committees was as follows: Audit Committee of the Comp S.A. Supervisory Board:

Mr Piotr Nowjalis, Chairman of the Audit Committee of the Company's Supervisory Board;
Mr Grzegorz Należyty;
Mr Ryszard Trepczyński.

Strategy Committee of the Comp S.A. Supervisory Board:

Mr Grzegorz Należyty, Chairman of the Strategy Committee of the Company's Supervisory Board;

Mr Julian Kutrzeba;

Mr Szczepan Strublewski.

Nomination and Remuneration Committee of the Comp S.A. Supervisory Board:

Mr Piotr Nowjalis, Chairman of the Nomination and Remuneration Committee of the Company's Supervisory Board;

Mr Krystian Brymora;

Mr Grzegorz Należyty.

Unless otherwise indicated, the Company's bodies operate on the basis of the applicable general legislation and the Company's Articles of Association.

The Audit Committee of the Supervisory Board operates on the basis of the Rules of Procedure adopted by the Audit Committee and approved by the Supervisory Board. In accordance with these Rules of Procedure, the Audit Committee acts collectively, unless a resolution of the Audit Committee delegates a member to perform a specific action. The Chairman of the Audit Committee is responsible for the Audit Committee's cooperation with the Supervisory Board, in particular by submitting the Audit Committee's opinions, proposals and reports to the Supervisory Board. The Audit Committee meets at least four times a year, on dates set by the Chairman of the Audit Committee, preferably before the dates of meetings of the Supervisory Board. In special cases, a meeting of the Audit Committee may be convened by the Chairman of the Supervisory Board. The meetings of the Audit Committee may be convened by its Chairman on his own initiative, by a member of the Audit Committee or by another member of the Supervisory Board, as well as at the request of the Management Board, the person in charge of the Company's internal control system, risk management system or internal audit. Audit Committee meetings may be held without being formally convened if all members of the Audit Committee are present and agree to hold a meeting with a specific agenda. The Audit Committee adopts resolutions if at least half of its members are present and all its members have been duly invited in due time. The Audit Committee may adopt resolutions in writing (by circulation) or by means of remote communication. Resolutions of the Audit Committee are adopted by a simple majority of the votes cast. In the event of an equal number of votes "for" and "against", the Chairman of the Audit Committee has the casting vote. In order to perform its activities, the Audit Committee may: (i) request the submission of specific information or documents by employees or associates of the Company, in particular in the areas of accounting, finance, internal audit and risk management, (ii) invite employees or associates of the Company or third parties to meetings (with or without the presence of members of the Company's Management Board), (iii) seek - at the Company's expense - the advice of third-party advisors to the extent necessary to perform the tasks of the Audit Committee. The Audit Committee may request that the key auditor discuss key issues arising from the audit of the Company's financial statements with the Audit Committee.

- XII. With regard to the audit committee or the supervisory board or other supervisory or controlling body, as appropriate, where that body carries out the duties of an audit committee, information: (i) on individuals who meet the statutory independence criteria; (ii) on individuals who have knowledge and skills in accounting or auditing of financial statements, including the manner of acquiring the same; (iii) on individuals who have knowledge and skills in the industry in which the Issuer operates, including the manner of acquiring the same; (iv) whether the Issuer has been provided with any permitted non-audit services by the audit firm auditing its financial statements, and whether the independence of this audit firm has been assessed and the consent for the provision of such services has**

been given; (v) main assumptions of the policy developed for the selection of an audit firm to carry out the audit and the policy of providing any permitted non-audit services by the audit firm, any entities related thereto and by the member of the auditing firm's network; (vi) whether the recommendation regarding the selection of an audit firm to carry out the audit met the applicable conditions, and where the selection of the audit firm was not related to the extension of the agreement for the auditing of financial statements – whether such recommendation was prepared following the selection procedure organised by the Issuer and whether it complied with the applicable criteria; (vii) number of meetings of the audit committee or of the supervisory board or of any other supervisory or controlling body held which are devoted to the performance of the audit committee's duties

As at 31 December 2023, the Audit Committee of the Supervisory Board was composed of the following members:

Mr Piotr Nowjalis, Chairman of the Audit Committee of the Company's Supervisory Board;

Mr Grzegorz Należyty;

Mr Ryszard Trepczyński.

With regard to the members of the Supervisory Board, in accordance with the Company's current reports No 14/2022 of 1 June 2022, No 16/2022 of 9 June 2022, No 17/2022 of 10 June 2022, No 18/2022 of 15 June 2022, No 19/2022 of 21 June 2022, No 20/2022 of 23 June 2022 and No 19/2023 of 24 June 2023 as well as representations and resumes submitted to the Company:

- the statutory independence criteria are met by Mr Piotr Nowjalis, Mr Julian Kutrzeba Ryszard Trepczyński, Mr Grzegorz Należyty, Mr Krystian Brymora and Mr Szczepan Strublewski;

- Mr Grzegorz Należyty, Mr Ryszard Trepczyński and Mr Piotr Nowjalis have knowledge and skills in accounting or auditing. Mr Grzegorz Należyty acquired his knowledge and skills through the Executive MBA and CEO programmes at Harvard Business School, as well as through work experience. Mr Ryszard Trepczynski graduated from the Warsaw School of Economics (Faculty of Management and Marketing), and acquired his knowledge and practical skills in the above-mentioned area as part of his professional career, in particular by providing professional financial advice to business entities since 2016;

- Mr Grzegorz Należyty and Mr Julian Kutrzeba have knowledge and skills in the industry in which the Company operates.

All of the individuals named above have acquired the knowledge and skills indicated above through many years of professional activity, as outlined in their resumes. The resumes of all members of the Supervisory Board were published by the Company in current reports No 24/2022 of 30 June 2022 and 22/2023 of 30 June 2023.

In 2023, the Company's audit firm provided permitted non-audit services to the Company in respect of the review of the interim consolidated financial statements.

In 2017, the Audit Committee of the company's Supervisory Board adopted, by resolution:

- the Policy of providing acceptable services other than auditing by the audit firm conducting the audit, its affiliates and by a member of the audit firm's network at Comp Spółka Akcyjna,

- the Policy for selecting an audit firm to perform audits at Comp Spółka Akcyjna,

- the Procedure for selection of an auditing firm to perform audits at Comp Spółka Akcyjna.

On the basis of the recommendation of the Audit Committee of Comp SA's Supervisory Board, the company's Supervisory Board, by resolution of 27 May 2022, adopted amendments to the Policy for selecting an audit firm to perform audits at the Company, adapting the Policy in question to the current legal situation.

The main assumptions of the Policy for selecting an audit firm to perform audits at the Company following the aforementioned amendments are as follows:

- the audit firm is selected by the Supervisory Board after considering the Audit Committee's recommendation,
- the audit firm is selected in accordance with the procedure adopted by the Audit Committee of the Supervisory Board,
- the audit firm is selected in accordance with the provisions of the Act, in particular taking into account the principle that an auditor may not carry out a statutory audit in the Company for more than five years and may carry out a statutory audit in the Company again after at least three years have elapsed since the last statutory audit was completed.

The main assumptions of the Policy of providing acceptable services other than auditing by the audit firm conducting the audit, its affiliates and by a member of the audit firm's network at Comp Spółka Akcyjna adopted by the Audit Committee of the Supervisory Board are as follows:

- the audit firm or the auditor carrying out the audit, an affiliate of that audit firm or any member of the audit firm's or auditor's network, does not directly or indirectly provide the Company or its affiliates with any prohibited non-audit services,
- prohibited non-audit services are set out in Article 5(1) of Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014,
- the provision of prohibited services is only possible to the extent not related to the Company's tax policy, following an assessment by the Audit Committee of the risks and safeguards of independence.

The recommendation of the audit firm presented by the Audit Committee of the Supervisory Board in accordance with the adopted Policy for selecting an audit firm to perform audits at Comp Spółka Akcyjna fulfilled the applicable conditions and was drawn up following the procedure organised by the Company for selecting an audit firm meeting the applicable criteria.

The Audit Committee held 6 meetings in total in 2023.

XIII. Description of the diversity policy applied in relation to the Issuer's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results in the reporting period, and, where the issuer does not have such a policy, an explanation of that decision

The Company has not developed a diversity policy. Decisions on the composition of the Management Board, the Supervisory Board and the filling of key management positions are at the discretion of the Company's authorised bodies. In electing the members of the Management Board and the Supervisory Board, the Company's bodies were guided by the interests of the Company, taking into account the fields of education and professional experience of the candidates for members of the Company's bodies.

Signatures of all members of the Management Board of Comp S.A.

Date	Name and surname	Function	Signature
	Robert Tomaszewski	President of the Management Board	
	Krzysztof Morawski	Vice President of the Management Board	
	Andrzej Wawer	Vice President of the Management Board	

	Jarosław Wilk	Vice President of the Management Board	
--	---------------	-------------------------------------------	--