

Report on the application of corporate governance principles, prepared on the basis of § 242 of the Estonian Accounting Act (RT I 2002, 102, 600) prepared as part of the Report of the Management Board on the operations of RESBUD SE in 2018.

**1. An indication of the corporate policy set, which is subject to Resbud SE and the place where the text of the policy collection is publicly available.**

From 1.01.2016, the company is subject to the recommendations and principles set out in the good practice of the companies listed on the WSE 2016, which was adopted by the Link No 26/1413/2015 of the Council of Gie 1DY paper 1 in the Worth 1 in Warsaw dated 13 PA 2 October 2015, and is publicly available IPNY on the Gie website 1DY paper 1 in the Worth 1 Warsaw S.A. at [https://static.gpw.pl/pub/files/PDF/inne/GPW\\_1015\\_17\\_DOBRE\\_PRAKTYKI\\_v2.pdf](https://static.gpw.pl/pub/files/PDF/inne/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf). The issuer does not apply other than The following principles of good corporate governance practices, including those that go beyond the Beyond the requirements laid down by Estonian law.

**2. Indication of how RESBUD SE has implemented and applies corporate governance rules.**

Resbud SE applies corporate governance principles contained in the good practice of the company listed on the WSE 2016 from the date of entry into force of these regulations. Company On 2 January 2016, THE EIB report number 1/2016 provided information on the non-application of the specific rules indicated in the corporate governance rules set mentioned in the previous sentence.

**3. An indication of the extent to which the issuer has disapproved the application of the corporate rules together with an indication of these principles and an explanation of the reasons for the withdrawal.**

Information on the state of use by the Company of recommendations and principles contained in The set of good practices listed on the WSE 2016.

According to the current state of use of good practices, the company does not apply 3 recommendations: III. R. 1., IV. R. 2., VI. R. 1.

According to the Current state of use of good practices, the company does not apply the 20 rules of application: I. Z. 1.6., I. Z. 1.7., I. Z. 1.8., I. Z. 1.9., I. Z.-1.15., and Z, Z. 3., II. Z. 4., II. Z. 8., II. Z. 10. 3., II. Z. 10.4. III. Z. 3., III. Z. 4., IV. Z. 2., IV. Z. 3., VI. Z. 4,

**I. Information policy and communication with investors.**

The company is committed to communicating with investors and analysts, with a clear and efficient use of it. Information policy. To this end, it provides an easy and non-discriminatory way for anyone to access the information disclosed, use a variety of communication.

## Recommendations

**I.R. 1. In a situation where Company knowledge of the dissemination in the media of false information, which materially affect its assessment, immediately after such knowledge is provided on its website a communication containing a position regarding these Information, unless, in the opinion of the company , the nature of the information and the circumstances of its publication give grounds for adopting another solution as more appropriate.**

The recommendation is applied.

**Comments of the company:** The recommendation is applied in total.

**I.R. 2. If Company carries out sponsorship, charity or other activities of a similar nature, and shall include in the annual activity report information on the policy in this area.**

The recommendation does not apply to the company.

**Comments of the company:** the company in the life of The Good practice of the articles listed on the WSE 2016 does not operate in this respect.

**I.R.3. The company should allow investors and analysts to ask questions and obtain - taking into account the prohibitions resulting from the applicable provisions of law - explanations on topics of interest to these people. The implementation of this recommendation may take place in the formula of open meetings with investors and analysts or in another form provided by the company.**

The recommendation is applied.

**Comments of the company:** in this company ,you give a note to the extent permitted by law for any inquiries from shareholders and investors. Company leads with investor communication by electronic mail. There are no open meetings with investors and analysts because of this, There is no interest in the form of acquiring Information by the investor.

**I.R.4. The company should make efforts, including taking all necessary steps to prepare an interim report in advance, in order to enable investors to become acquainted with the financial results achieved by it as soon as possible after the end of the reporting period.**

The rule is applied.

**Comments of the company:** The company endeavours to make periodic reports to be made possible at the earliest time after the end of the reporting period.

**Detailed rules I. Z.**

The company carries out the corporate website and provides it, in a legible form and in a separate location, in addition to the information required by law:

**I. Z. 1.1. Basic corporate documents, in particular the statute Companies.**

The rule is applied.

**I. Z. 1.2. composition of the management board and supervisory Board Companies and the professional resumes of the members of those authorities, together with information on the fulfilment by members of the supervisory Board of the independence criteria.**

The rule is applied.

**I. Z. 1.3. The scheme of the tasks and the responsibilities between the member of the Management Board, which is in accordance with rule II. Z. 1.**

The principle is applied, with the proviso that the management board of the company is single.

**Comments of the Company:** The company's management is single and is responsible for any sphere of activity of the company.

**I. Z. 1.4. the current shareholding structure, indicating shareholders with at least 5% of the total number of votes in the company, on the basis of the information provided to the company by the shareholders in accordance with the applicable legislation.**

The rule is applied.

**I. Z. 1.5. current and periodic reports and Prospectuses and information memoranda, including annexes, published by the company for at least the last 5 years**

The rule is applied.

**I.Z.1.6. A calendar of corporate events resulting in the acquisition or limitation of rights on the part of a shareholder, a calendar for the publication of financial reports and other events significant from the investors' point of view, enabling investors to make investment decisions**

The rule is not applied.

Comments of the company: The company is given a public message in the form of a report on the available on the company's website, information about any corporate events in good time. Information in the form of a calendar in the company's assessment is DNA.

**I. Z. 1.7. Published by the company of information material on the corporate strategy and its financial results.**

The rule is not applied.

Comments of the Company: The company has so far not prepared and published information materials on the Company's strategy and its financial results. The Company's financial results and business plans in the next reporting period are published by the Issuer in periodic reports, which are published by relevant reports and on the Company's websites. In addition, if necessary, the Company communicates issues regarding the strategy in the form of current reports.

**I. Z. 1.8. Statements of selected financial data of the company for the last 5 years of activity, in a format enabling the processing of this data by their recipients,**

The rule is not applied.

Comments of the company: the company gives a public message in the form of a report on periodic information about the company's financial results and Selected financial data. This information is available on the Company's website. Because of the identity of this information, the company does not publish them separately.

**I.Z.1.9. information about the planned dividend and dividend paid by the company in the last 5 financial years, including data on the dividend day, payout dates and the amount of dividends - in total and per share,**

The rule is not applied.

**Comments of the company :** The company is given to a public message in the form of a report, information on the undertaken by the general meetings. These reports are available on the issuer's website. A decision on dividends should be made to the general meeting.

**I. Z. 1.10. Financial forecasts – if the company has made a decision on their publication – Published for at least the last 5 years, together with information on Extent of their implementation**

The principle does not apply to the company.

**Comments from the company:** the company has so far not disputed the financial forecasts and in the near Future does not intend to the forecasts in question.

**I. Z. 1.11. Information on the contents of the legal entity for the modification oftherightholder for thepurposeof The examination of financial statements , If no such rule**

The rule is applied.

**Comments of the company:** the company applies to the rules of amendment of the entity entitled to audit financial statements resulting from the widespread regulations.

**I. Z. 1.12. in the last published annual report on the statement of Companies on the application of corporate governance,**

The rule is applied.

**Comments of the company:** A separate report on the application of corporate governance rules is a distinct annex to the Company's Annual report. These documents are available on the issuer's website.

**I. Z. 1.13. information on the state of useof the recommendations and the principles contained herein, with the details ofIn that regard , the company should , on the basis of the relevant provision,**

The rule is applied.

**Comments of the company:** the company publishes on the currentinformation on the application of the principles and recommendations contained in the good practices of listed no WSE through the EIB system.

**I. Z. 1.14. materials communicated to the general meeting, including the assessments, reports and positions indicated in PRINCIPLE II. Z. 10, submitted to the general meeting by the supervisory board**

The rule is applied.

**I. Z. 1.15. This information** includes a description of the diversity **policy**used **by**The EU **inrelation to the the company and its keymanagers; the description shouldtake** into consideration the **policy elementsofthe R ÓžBiological Diversity**you like **Pleate, the direction of theage, tośprofessional experience, and sož(e) Indicateateobjectives of the policy applied RÓžBiological DiversityśCI and SposÓ(b) its implementation during**

**the reporting period; the company does not elaborate on it and does not pursue the policy of Biological Diversity on its website. It is such a decision.**

The rule is not applied.

**Comments of the company:** key personnel decisions in relation to the company and its key Manager are taken by the General Meeting and the supervisory board. The company has a criterion for selecting the Authority in the individual Authority of the qualifications for a candidate. A More to PEI determine its functions. Information concerning the data of the company's organs are published in the relevant reports. Information on the choice of the Authority is in and on the website of the company.

**I. Z. 1.16. Information on the planned transmission of the meeting of the general meeting – not later than within 7 days before the date of the general Meeting,**

The rule is not applied.

**Comments of the company:** the company acknowledges that the costs of transmission of general meetings are too high. At the same point, No management indicates that the company's shareholding structure causes a lack of interest in the deliberations of the General meeting.

**I. Z. 1.17. The explanatory memorandum to the draft resolution of the General Meeting concerning the matters and the decisions of the shareholders – the within the deadline allows to enable a participants of the general meeting to familiarise themselves with them and give their discernment,**

The rule is not applied.

**Comments of the company:** the company publishes draft resolutions of General Meetings in accordance with applicable laws. In cases where a justification for the project content or resolution is required, it shall be communicated together with the draft resolutions presented to the general meeting.

**I. Z. 1.18. Information on the outcome of the General Meeting, the amendment of the deadline or the date of the deliberations, and also the information on the Of the general meeting and the reasons for the interruption**

The rule is not applied.

**Comments of the company:** decision in respect of General Meetings in principle shall be taken by the shareholders, where such situation is the company publishes the relevant current report together with the relevant resolution.

**I. Z. 1.19. Shareholders' questions addressed to the management Board in art. 428 § 1 or § 6 of the commercial companies code, together with the replies of the Management Board to the questions referred, or a detailed indication of the reasons for failure to respond, in accordance with rule IV. Z. 13.**

The rule is applied.

**I. Z. 1.20. Record of meetings of the general meeting, in the form of audio or video,**

The rule is not applied.

**Comments** of the company: the company's assessment costs are too high. The company does not have the necessary technical infrastructure and there is no interest in recording the deliberations of the general meetings of the structures of shareholding companies.

**I. Z. 1.21. Contact information to persons responsible for communication with investors, indicating their name and e-mail address or telephone number.**

The rule is not applied.

**Comments of the company:** the company on its website provides contact information with which all interested parties may use. In assessing the company, it is not appropriate to extract the contact details for the purpose of communicating with investors.

**I.Z. 2. Company, which has shares classified as A to index in the WIG20 or mWIG40, provides access to information on your website in the English language, at least in the range indicated in principle I.Z. 1. This policy should apply to companies not in the above index. W, which argues that the structure of their shareholding or the nature and scope of the activities is different.**

The principle does not apply to the company.

**Comments of the company:** the company does not participate in the indices WIG20 or mWIG40,

## **II. Management and the supervisory board**

**The company is headed by the Board of directors, its members are in the interest of Responsibility for the company's activity. To the Management board of the company, you will have to do so, and you should be Strategic objectives and their implementation, and to ensure a more efficient and secure security.**

The company is supervised by effective and competent supervisory advice. The members of the Supervisory board are in the interest of the company and follow the full opinion and The Supervisory Board of the Council, in The General Court, in the it reviews the company's strategy and verifies the work of the management Board on the Strategy and monitors the results of the axis.

#### Recommendations

li. R. 1. In order to achieve the highest standards for the management and supervisory Board of companies of their responsibilities and their fulfilment in an efficient manner, the management board and the supervisory board shall be appointed by persons representing high Qualifications and experience.

The recommendation is applied.

**Comments of the company:** The main criterion for selecting the members of the authorities are their qualifications and experience.

li. R. 2. Persons who make A decision on the choice of a member of the Management Board of the company or the ateto provide comprehensive CI and RÓŻBiological Diversity those authorities ÓW, Melamong other things, in Idem P the direction of the Age and to professional experience.

The recommendation is applied.

**Comments of the company:** the company as a criterion for the election of the board of directors and the member of the supervisory board qualifications of the person to the EP function. Information concerning the data of the company's organs are published on the issuer's website.

li. R. 3. The function of the management Board of the company shall be the main area of professional activity. The additional professional activity of the Board member shall not lead to such time and effort involvement in order to adversely affect the proper performance of the function in the company. In particular, the board member should not be a member of the bodies of other entities if the time devoted to the performance of the functions of other persons prevents him from reliably performing his duties in the company.

The recommendation is applied.

li. R. 4. The members of the supervisory board should be able to devote the necessary time to perform their duties.

The recommendation is applied.

**li. R. 5. In the event of resignation or inability to act by a member of the supervisory board, the company shall promptly take appropriate action to supplement or amend the supervisory board's composition.**

The recommendation is applied.

**li. R. 6. The supervisory board, having regard to the expiry of the mandate of the members of the management board and their plans for the continuation of functions on the board, shall take steps in advance to ensure the effective functioning of the Management board .**

The recommendation is applied.

**li. R. 7. CompanyIt provides the supervisory board with the possibility of using professional, independent advisory services which, in the assessment of the Board, are necessary for its effective supervision in the company. When selecting an advisory service provider, the supervisory board shall take into account the financial situation of the company.**

The recommendation is applied.

#### **Detailed rules.**

**li. Z. 1. The internalareaof responsibilityforThe specific areas ofactivityof the company, which has beenthememberof the managementBoardshouldbe structuredinaclear and transparent way, and the scheme availableon the Company'swebsite.**

The rule is applied.

**Comments of the company:** thePartnershipis a single managementBoardresponsible for all areasof the company's activity .

**li. Z. 2. The members of the Management Board of the company in the boards of directors or supervisory councils of companies outside the Company's group require the approval of the supervisory board.**

The rule is applied.

**li. Z. 3. At least twomemberofthe supervisory boardshall comply with THE criteriaoftheindependentprovisionsreferred to in principle II. Z. 4.**

The rule is not applied.

**Comments of the company:** The decision to choose the members of the supervisory board is the responsibility of the General Meeting of shareholders. The shareholders are guided by the competences and the trust of the individual candidates and are appointed by the Supervisory board. Company depending on the decision of the General Assembly may periodically be or not, this criterion depends on the Council. Currently (i.e. 2018 years), the Council did not fulfil the criteria if only one of the conditions - The Council is independent and the assessment of the risks arising from that title is in the competence of the Wza.

**li. Z. 4. As regards the criteria for the independent member of the Supervisory Board, Annex II to the European Commission recommendation 2005/162/EC of 15 February 2005 concerning the role of the Executive director or the member of the Supervisory board, the person who is the employee of the company, dependent entity or affiliate, as well as the person associated with these entities with a similar cannot be deemed to have fulfilled the criteria of the independent nature of the measure. For the purpose of pairing with a shareholder excluding the attachment of a part of the supervisory board within the meaning of this rule the actual and relevant pairing with a shareholder holding at least 5% of the total number of shares in the SPCE.**

The rule is not applied.

**Comments of the company:** The decision to choose the members of the supervisory board is the responsibility of the General Meeting of shareholders. The shareholders are guided by the competence and trust in the specific candidates appointed by the Board of directors. Company depending on the decision of the General Assembly may periodically be or not, this criterion depends on the Council's assessment and the risks from this title is in the competence of THE WZA.

**li. Z. 5. A member of the supervisory board shall provide the other members of the board and the Company's management board with a statement of its fulfilment of the independence criteria laid DOWN in principle II. Z. 4.**

The rule is applied.

**li. Z. 6. The supervisory board shall assess whether there are any links or circumstances which may affect the fulfilment by a member of the Council of the criteria of independence. The assessment of the fulfilment of the independence criteria by the members of the supervisory board shall be presented by the Council in accordance with rule II. Z. 10.2.**

The rule is applied.

**li. Z. 7. As regards the tasks and functioning of the Committee in the supervisory Board, the provisions of the Recommendations of the European Commission, as REFERRED to in principle II. Z. 4**

**Where the function of the Audit Committee has been fully supervised by the Supervisory board, the above rules shall apply mutatis mutandis.**

The rule is applied.

**Comments of the company:** The Audit committee is operational by the supervisory Board.

**li. Z. 8. The chairlift of the Audit Committee shall comply with the criteria of the Independent Z. 4.**

The rule is not applied.

**Comments of the company:** The Audit committee is operational by the supervisory Board. The decision to choose the members of the supervisory board should be the responsibility of the general meeting of shareholders. The shareholders are guided by the competence and trust in the specific candidates appointed by the Board of directors. Company depending on the decision of the General Assembly may periodically specify or not, this criterion depends on the Council's assessment and the risks from this title lie in the competence of THE WZA

Note: on 20.10.2018 R. The supervisory board of the company has set up a revision of the Audit Committee, which has so far completed its tasks for the supervisory board. Resolution no 01/20/10/2018 of the supervisory board was the Audit committee in tripe, i.e.: Wojciech Hetkowski – Chairman, Jacek Koralewski – członek, and Małgorzata Patrowicz – part of the board. In the assessment of the supervisory board, the audit committee in the Personal area has fulfilled the requirements set out in articles 128 (1) and 129 (1), (3) and (6) of the Act on auditors.

**li. Z. 9. In order to enable the supervisory Board to fulfil its tasks, the management Board of the company shall provide the Council with access to information on matters concerning the company.**

The rule is applied.

**li. Z. 10. In addition to the activities resulting from the provision of the law, the Supervisory board shall, once a year, submit to the ordinary general meeting:**

**li. Z. 10.1. Assessment of the company's situation , taking into account the assessment of internal control systems, risk management, compliance and internal audit functions; This assessment shall cover all relevant control mechanisms, including in particular On financial reporting and operational activities;**

The rule is applied.

**li. Z. 10.2. Report on the activities of the supervisory board, including at least information on:**

- **The composition of the Council and its committees,**
- **The fulfilment by the members of the Council of Independence criteria,**
- **The number of meetings of the Council and its committees in the reporting**

**Period**

- **Self-assessment of the supervisory board's work;**

The rule is applied.

**li. Z. 10.3. Assessment of the way in which the implementation of The information on the use of The principles of corporate governance, as set out in the rules of Procedure and the provisions on the current and periodic Transmitted by the issuer in the value paper;**

The rule is not applied.

Comments of the **company: The** Supervisory board exercises the Company's activity in all its spheres, including and above the by Spółka Part A ZKÓ in the news. However, given that current information including confidential information must be reported promptly, the supervisory board is not able to continuously monitor this aspect of the Company's activities. For this reason, the supervisory Board recommended that those responsible for reporting should have the appropriate competences and experience.

**li. Z. 10.4. Assessment of the rationalisation pursued by the policy, referred to in recommendation I.R. 2, or information on the lack of Such a policy.**

The rule is not applied.

**Comments of the company:** the company in the life of The Good practice of the articles listed on the WSE 2016 does not operate in this respect.

**li. Z. 11. The Supervisory board shall examine and give an opinion on the matters to be adopted by the General meeting.**

The rule is applied.

Comments of the **company:** The Supervisory board of the company shall, at the request of the shareholders or the management Companies in the relevant cases may A toatesubject to the deliberations or matters provided for in the statuteCompanies. The principle of theExamination and opinion of all mattersrelatingto the subject matter of the resolution of the † General meeting.

#### **IV. Internal systems and Functions**

Thecompanyhasmaintained effective systems: Internal control,Risk Management and supervision of compliance with the legalthe Law (compliance), andż(e) Effective A functionInternal Auditsuitable for the size of theşyouCompaniesand the nature and scale of the activities†Alności.

#### **Recommendations**

iii. R. 1. The company shall extractIn its structure the entities responsible for the execution of tasks inspecificsystems or functions, unless e Extracts†organisational units are not justified because of the size or type of activity of the †Alnościby the SPÓłki.

Recommendation is not applied.

Comments of the company: The Exodusof organisational units is not justified in view of the size and type of activitycarried out bythek sis.CompanyImplementationży†(a) internal systems†Suitable for largeşyouCompaniesand the nature and scale of the activities†Alności.

#### **Detailed rules**

iii. Z. 1. The implementationand maintenance of effectiveInternal Controlsystem, risk management, compliance and internal audit functionsshall be the responsibility of themanagement d company.

The rule is applied.

**Comments of the company:** the companyhasimplemented internalsystemssuitable for the size of thecompany and the type and scale of Activity.

iii. Z. 2. By order ofprinciple III. Z. 3, those responsible for risk management, Internal auditand complianceshall be subject directly tothepresident or to anothermember of the management A du, and soże May A provide A MožpossibilityinityDirect Reportings†Supervisory Board or audit committee.

The rule is applied.

**Comments of the company:** due to the company's size, it is the model and Structure of the Organizational A Companies at SpÓła single management board is established and be subject to a directly Control Board and the Exodri Audit Committee.

**iii. Z. 3. In relation to the person who is responsible for the audit function of the internal and other tasks for the implementation of the principles set out in the internationally recognised international standards for the Professional Practice of internal audit three.**

The rule is not applied.

**Comments of the company:** The Audit committee is operational by the supervisory Board. The decision to choose the members of the supervisory board and thus the chairwoman of the Audit Committee shall be the responsibility of the general meeting of shareholders. The shareholders are guided by the competence and trust in the specific candidates appointed by the Board of directors. Company depending on the decision of the General Assembly may (e) periodically specify or not, this criterion depends on the assessment of the General Assembly and the risks from this title are in the competence of THE WZA.

**iii. Z. 4. At least once a year, the person responsible for internal audit (in the event of a withdrawal of such a function) and the management Board shall present Assessment of the effectiveness of the functioning of the system and of the functions referred to in principle III. Z. 1, together with the relevant report.**

The rule is not applied.

**Comments of the company:** in the Audit Committee function of the Supervisory board, its members are elected by the general Assembly.

**iii. Z. 5. The supervisory board shall monitor the effectiveness of the system AND The functions referred to in principle III. Z. 1, based on, Among other things, the reports periodically delivered to it directly by the persons responsible for those functions and the management of the company, as it makes an annual assessment of the effectiveness of functioning of these systems and functions, in accordance with the A II. Z. 10.1. Where a company has an audit committee, it shall monitor the effectiveness of the system and the functions referred to in principle III. Z. 1, but does not exempt the supervisory board from the annual assessment of the effectiveness of these systems and functions.**

The rule is applied.

Comments of the **company**: The Supervisory board has fully controlled All areas of the Company.

**iii. Z. 6. Where the company does not have an organisational audit function, the Audit Committee (or the supervisory board, if it is a function of the internal or The Audit Committee) assesses annually whether there is a need to make such a separation.**

The rule is applied.

Comments of the **company**: The Supervisory board has fully controlled All areas of the Company.

#### **IV. General Meeting and shareholders ' relations**

**Company and its supervisory board, and should encourage shareholders to be involved in the case of a The company, in particular the active participation in the general meeting. The general meeting should Respect the rights of shareholders and Ensure that the measures taken do not infringe the Legitimate interests of the shareholders ' groups. The shareholders in the general meeting have made their powers in the SposÓb not in good morality.**

#### **Recommendations**

**Iv. R. 1. The company should endeavour to complete the ordinary general meeting as soon as possible after the publication of the annual report, setting this deadline, taking into account relevant legal provisions.**

The recommendation is applied.

**Iv. R. 2. If this is justified on account of the shareholding structure or The shareholder's expectations, if the company is able to provide technical infrastructures for the smooth execution of the general meeting by means of the measures in electronic communications, it should allow shareholders to share in the general meeting by using such measures W, in detail by:**

- 1) The transmission of the meeting of the general meeting in real time,**
- 2) Bilateral communication in real time, within the framework of which shareholders may speak in the proceedings of the general Meeting, in a place other than the meeting of the General Meeting,**
- 3) exercise, person or by Nomocnika, the right of voting in the general meeting.**

Recommendation is not applied.

**Comments of the company:** the company recognises that the costs of infrastructure and the transmission of the general meeting's meetings are too high. At the same point, No management D indicates that the Company's shareholding structure causes a lack of interest in the deliberations of the General meeting.

**iv. R. 3. The company shall ensure that, where the securities issued by the SP are traded in different cases, the countries (or in markets) and within the R Óz Able System Ó in the legal, execution of the event r Corporate A the acquisition of rights on the shareholder side of the IPowaland within the same deadlines in all countries Ó Rych S A they quoted.**

The principle does not apply to the company.

**Comments of the company:** the securities issued by the SP are listed only on the regulated market of the WSE S.A. in Warsaw.

#### **Detailed rules**

**iv. Z. 1. The company shall determine the place and the date of the general meeting in such a way as to enable the widest number of shareholders to attend the deliberations.**

The rule is applied.

**iv. Z. 2. If This is justified on account of the company's shareholding structure, the company generally provides meetings of the general meeting in real time.**

The rule is not applied.

**Comments of the company:** the company acknowledges that the costs of transmission of general meeting meetings are too high. At the same point, No management D indicates that the Company's shareholding structure causes a lack of interest in the deliberations of the General meeting.

**iv. Z. 3. Media representatives are able to present at general meetings.**

The rule is not applied.

**Comments of the company:** the company indicates that There is no interest in the participation of Medio in the deliberations of the company's general meetings. In addition, in its assessment, the company has not been entitled to work Of the General Assembly.

**Iv. Z. 4. Where the management receives information on the convening of a general meeting on the basis of art. 399 § 2 – 4 of the commercial Companies Code, the Management board shall immediately carry out the activities to which it is obliged in connection with the organisation and conduct of the general meeting. The principle also applies when convening a general meeting on the basis of an authorisation issued by the Registry Court in accordance with art. 400 § 3 of the commercial Companies code.**

The rule is applied.

**Comments of the company:** The principle was in force until 30 November 2018, i.e. until the date of transfer of the registered office to Estonia. Since then, the issuer has not applied the Polish commercial companies code.

**Iv. Z. 5. The general meeting rules, as well as the manner of deliberations and resolutions, shall not impede the participation of shareholders in the general meeting and the exercise of their rights. Amendments to the rules of General Assembly should be effective at the earliest of the next general meeting.**

The rule is applied.

**Iv. Z. 6. The company has been able to ensure that the General meeting, the amendment of the deadline or the management of the Interruption does not restrict the shareholders exercising the right to participate in the general meeting.**

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the interruption of the meeting of the general Meeting Shareholders and the chairman of the General meeting.

**Iv. Z. 7. A break in the deliberations of the General Meeting may only take place in specific situations, each Appliance indicated in the explanatory memorandum to the management Of the interruption, the disputes shall be based on the reasons provided by the shareholder requesting the Interruption management.**

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the interruption of the meeting of the general Meeting Shareholders and chairman of the General Meeting, who shall decide on the indication in the resolution of the statement of reasons for the management of the interruption of deliberations.

**Iv. Z. 8. The General Meeting on the management of the interruption indicates not the deadline for resuming the deliberations, the deadline for which cannot constitute a barrier to the participation of shareholders, including minority shareholders, in the renewed deliberated by the Majority.**

The rule is applied.

**Comments of the company:** the company indicates that decisions regarding the interruption of the meeting of the general Meeting Shareholders and The chairman of the General Meeting, who shall decide on the date of resuming the deliberations.

**Iv. Z. 9. The company has made an effort to ensure that the draft resolution of the General Meeting is The shareholders have a resolution with the discernings They have. In the event that the placement of a case in the deliberations of the General meeting is followed by a shareholder or shareholder, the management D or the chairman of the General Meetings shall ask for the justification of the proposed resolution on the relevant issues or May be in the shareholders' notice, the Company submits the justification, unless Otherwise provided by To shareholders, the information that it will provide to you with the discernings.**

The rule is applied.

**Comments of the company:** the management Board is to publish the Justes-ýou Companies Design Ó in the resolution of General Meetings.

**Iv. Z. 10. The exercise of shareholder powers and the manner in which they are exercising their powers shall not impede the proper functioning of the Company's organs.**

The rule is applied.

**Iv. Z.11. Cz members of the board of directors and the Supervisory board participate in the deliberations of the general Meeting Questions asked during the general meeting.**

The rule is applied.

**Comments of the company:** members of the Company's bodies shall endeavour to ensure that they can participate in the deliberations of the general meeting, however, due to the fact that repeatedly held meetings of the company are on request or in Established by the shareholders, the provision of the office of the body Appliance in the deliberations of the general meeting of the is difficult.

**Iv. Z. 12. The Management board should present to the participants of the ordinary general meeting the financial results of the company and other relevant information contained in the financial statements subject to approval by the general meeting.**

The rule is applied.

**Iv. Z. 13. If the shareholder requests information about the company, no later than 30 days, the management board of the company is obliged to reply to the shareholder's request or inform him of the refusal to provide such information if the management Board has decided on the basis of art. 428 § 2 or § 3 of the commercial companies code.**

The rule is applied.

**Iv. Z. 14. The resolution of the General Meeting should ensure that the necessary temporary separation between the decisions giving rise to a specific Corporate events, and the dates on which the shareholders' rights arising from these Corporate incidents are determined.**

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the contents of the General Meetings shareholders.

**Iv. Z. 15. The general meeting on the issue of shares with a collection right should specify the emission price or the mechanism for its determination, Commitment A in a authority to do so to be determined before the date of the right of collection, the deadline for Enable A CYMI investment decision.**

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the contents of the General Meetings shareholders.

**Iv. A. 16. The dividend and the time-limits for dividends should be fixed so that the period between them would not be than 15 working days. The determination of the length of time between these deadlines requires justification.**

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the contents of the General Meetings shareholders.

**Iv. Z. 17. The General Meeting concerning the payment of a contingent dividend may contain only such conditions as to the possible destruction of the Pi before the dividend date.**

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the contents of the General Meetings of shareholders.

**iv. Z. 18.** The general meeting on the division of the nominal value of shares should not determine the new nominal value of shares at a level lower than 0.50 with a very low Unit value, it is worth to use the *you A Markets A* these actions, which, as a consequence, may constitute a hazard for the right to own and reliable valuation companies listed on the *Dzie*.

The rule is applied.

**Comments of the company:** However, the company indicates that decisions on the contents of the General Meetings of shareholders.

#### **V. Conflicts of interest and transactions with related Parties**

For the purposes of this chapter, defined is assumed to be a subsidiary of the International These accounting standards ARE adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards the company should have transparent procedures for the prevention of conflicts of interest and the conclusion of transactions with entities the possibility of conflict of interest. Procedures should provide for the identification of such situations, their disclosure Management.

#### **Recommendations**

**V.R. 1.** A member of the management board or of the supervisory board should avoid professional or post-employment activity which could lead to a conflict of interest or adversely affect its reputation as a member of the company's body and, where a conflict of interest arises should immediately disclose it.

The recommendation is applied.

#### **Detailed rules**

**V.Z. 1.** No shareholder should be a privileged relative to the other shareholders in respect of transactions concluded by the *Óki* with its shareholders or entities A *Zanymi*.

The rule is applied.

**Comments of the company:** managementD indicates that the shareholdingstructure and the profile of the These companies are the same and may be transactions with theCompany's ownshareholder , which does not mean, however,ž(e) Its position in this regard is privileged.

**V.Z. 2. A member of the board of directors or of the supervisory board shall inform the management or supervisory board accordingly of the conflict of interest or the possibility of its creation and shall not take part in the vote on the resolution in respect of which the person may experience Conflicts of interest.**

The rule is applied.

**V.Z. 3. A member of the management board or of the supervisory board may not accept any advantage which could affect impartiality and objectivity in its decision-making or negatively impact the assessment of the independence of its opinions and courts.**

The rule is applied.

**V.Z. 4. If a member of the management board or the supervisory Board considers that the decision, respectively, of the management board or the supervisory board, is contrary to the interests of the company, he may require the board meeting of the Management or supervisory board of his Position on the subject.**

The rule is applied.

**V.Z. 5. Before the company concludes a substantial contract with a shareholder holding at least 5% of the total number of votes in a company or a related party, the Management Board shall request the supervisory board to agree to such a transaction. The supervisory board shall assess the impact of such a transaction on the interests of the companybefore agreeing. The above obligation is not subject to typical and market-based transactions in the course of operating activities of the company with entities within the Company'sgroup of companies. Where a decision on the conclusion by a company of a substantial contract with a related party is taken by a general meeting, the Company shall, before taking such a decision, ensure that All shareholders have access to the information necessary to Assess the impact of the transaction on the Company'sinterests.**

The rule is applied.

**V.Z. 6. Companyit lays down in the internal regulations the criteria and circumstances in which a company may be confronted with a conflict of interest, as well as rules on dealing with conflicts of interest or the possibility of its occurrence. The Company's internal regulations take into account, inter alia, ways of preventing,**

**identifying and resolving conflicts of interest as well as the exclusion of a member of the management board or of the supervisory board from participating in the case or threatened conflict of interest.**

The rule is applied.

## **VI. Salaries**

**The company has a remuneration policy at least for the part of the company organ and the key** The remuneration policy is defined in terms of the form, structure and manner of the To determine the remuneration of the company's bodies and the key managers of the

### **Recommendations**

**Vi. R. 1. The remuneration of the member of the company and of the key managers should be This remuneration policy.**

Recommendation is not applied.

**Comments of the company:** the company's size, organisational structure and scope of activities in SP the "remuneration policy" of wages and salaries has not been developed for a specific member of the company body shall take into consideration the tasks to be carried out and the assessment of their implementation, as appropriate for the management The supervisory board, for The members of the Council , the General meeting of the shareholders of the company.

**Vi. R. 2. Remuneration policy should be related to the strategy of the company, its objectives, CREKO-Long-term interests and outcomes, and the same should be the case for the day of the resolution of them in-depth Avoid discrimination for any reason.**

The recommendation is applied.

**Comments of the company:** the size of the company, the organisational structure and the scope of the The "remuneration policy" of salaries for non-member companies was not developed in the the company's bodies shall take into consideration the tasks assigned to them and the assessment of their implementation The Supervisory board, for The members of the Council , the general Meeting of shareholders of the company.

**Vi. R. 3. If the remuneration committee functions in the Supervisory board, the principle II shall apply in respect of its functioning. Z. 7.**

The recommendation is applied.

**Comments of the company:** the function of the remuneration committee in the full Supervisory board.

**Vi. R. 4. The level of remuneration of the members of the Management board and of the supervisory board and of the key managers should be sufficient to acquire, maintain and motivating persons with the necessary competences to manage and supervise the company properly. Remuneration should be adequate for the tasks entrusted to individual persons and take into account additional functions such as Work in the committees of the Supervisory board.**

The recommendation is applied.

#### **Detailed rules**

**Vi. Z. 1. Incentive schemes should be designed to cover, among other things, The level of remuneration of the member of the company and its key managers from the actual, long-term financial situation of the company and the for shareholders and the stability of the company's economic viability, it is**

The principle does not apply to the company.

**Comments of the company:** in the case of this incentive programs.

**Vi. Z. 2. In order to compensate for the remuneration of the management Board and of the key Business and financial objectives of the company, the period between the award of an option incentive scheme or other instrument The company's shares, and May be implemented at a minimum of 2 years.**

The principle does not apply to the company.

**Comments of the company:** in the case of this incentive programs.

**Vi. Z. 3. Remuneration of members of the supervisory board should not be dependent on options and other derivatives, or any other variable component, and should not be subject to the Company's performance.**

The rule is applied.

**Vi. Z. 4. The company shall, in its activity report, provide a report on the remuneration policy, containing at least:**  
**1) General information on how to accept this in the remuneration system,**

**2) information on the conditions and the height of the remuneration of each member of the management board, broken down by fixed and variable remuneration, indicating the key parameter of the variable component remuneration and principles of checks and other liabilities – the title of an employment relationship, order or other legal relationship of a similar nature – the separately for Companies and Each unit enter the A More in the Group Network,**

**3) information on the use of the specific member of the Management board and the key non-financial managers of the company – Component remuneration and principles of checks and other liabilities,**

**(4) An indication of the material changes which, within the last financial year, are in the remuneration policy, or information on their absence,**

**(5) The assessment of the functioning of the remuneration policy from the point of view of the achievement of its objective, for shareholders and the stability of the company's businesses.**

The rule is not applied.

**Comments** of the company: the company publishes information on the remuneration of a member of the Company according to the International Accounting Standards, you will be in compliance with these regulations.

**Note:** on 20.10.2018 The supervisory board of the company has set up a revision of the Audit Committee, the tasks of which have already been carried out by the Supervisory board. Resolution no 01/20/10/2018 of The supervisory board was the Audit committee in tripe, i.e.: Wojciech Hetkowski – Chairman, Jacek Koralewski – członek, Małgorzata Patrowicz – part of the ring. In the assessment of the supervisory board, the audit committee in the Personal area has fulfilled the requirements set out in articles 128 (1) and 129 (1), (3) and (6) of the Act on auditors.

#### **4. Description of the management and supervisory bodies, the composition of their committees and the organisation of their work.**

4.1 The Executive Body of the company is the board. The Management board of the company in accordance with the provisions of the Statute may consist of 1 to 4 members. The board was single in 2018. It consisted of Mrs. Anna Kajkowska. This authority directs the company's activities, it represents itself outside. The Board members shall elect the Supervisory Board, which shall also decide on the remuneration of the board members. The Board of Directors did not have any committees or responsibilities between members, given that the management Board was single in 2018. Each member of the Board Companies may represent the company independently in all legal acts, if the resolution of the supervisory board is not specified otherwise. In the event that the Management board of a company consists of more than two (2) members, the supervisory board shall appoint the Chairman of the board. Meetings of the Management Board shall have a quorum if it involves more than half of the board members. The decisions of the Management Board shall be adopted by simple majority. Each board member has one vote. The vote of the Chairman of the Board

shall be decisive in the event of equal distribution .A member of the board may resign at any time. Resignation is submitted to the supervisory board.

The detailed rules governing the functioning of the Board are governed by generally applicable Estonian law, the company Statute and the management board. The last two documents are available on the website of the issuer [www.resbud.pl](http://www.resbud.pl).

4.2 The supervisory board is the supervisory authority of the company . The scope of its duties shall be the planning of the company's activities, assistance in organizing the company 's management and exercising oversight of management activities. The supervisory board had to consist of 5 to 9 members at the time when the company was established in the Republic of Poland. From the date of transfer of the company to Estonia, the supervisory board may consist of 3 to 7 members. This body is appointed by the general meeting of the company. The term of the supervisory board is 5 years.

Meetings of the supervisory board shall take place where appropriate, but not less than one time in three months. Notice of convening of a meeting of the supervisory board shall be sent at least seven days before the date of the planned meeting and shall contain the agenda proposed by the Chairman of the supervisory board. A meeting of the supervisory board has a quorum if it involves more than half of the members of the supervisory board. The resolutions of the Supervisory Board shall be adopted by simple majority. The vote of the Chairman of the supervisory board shall be decisive in the event of equal distribution. The supervisory board shall have the right to adopt resolutions without convening a meeting if all members of the supervisory board agree. The procedure for adopting resolutions is as follows: The Chairman of the supervisory Board sends a draft resolution to all members of the supervisory board, setting a deadline within which a member of the supervisory board must submit a written position. If a member of the supervisory board does not submit in respect of the resolution of his or her vote in favour or against within the prescribed period, he shall be deemed to have voted against the resolution. The resolution is accepted if more than half of the members of the supervisory board voted in favour of the resolution. The consent of the supervisory board is required for the company 's management to approve the company's budget and risk management principles; Acquisition or disposal of any asset whose value exceeds 100 000 euro in one or more related transactions; To agree to the terms and conditions of the members of the management board and to decide to enter into a legal dispute with a member of the Management Board and to designate the person entitled to represent the company in such a dispute, giving consent to Any transaction the value of which exceeds 100 000 euro in one or more related transactions; Giving consent to the borrowing or lending or other debt obligations of a company or the acquisition by a company of liabilities, the value of which exceeds 100 000 euro in one or more related transactions; Establishment and closure of foreign subsidiaries, representations or other entities of the company; Acquisition or divestiture of any type of undertaking or termination of business or the conclusion of such transactions, which may result in future acquisitions or disposals of undertakings or the termination of business Enterprise The creation or acquisition or merger with other

undertakings or the disposal of subsidiaries or the transfer, sale or imposition in any other way of parts and associations of subsidiaries or termination of the activities of subsidiaries.

Detailed rules for the functioning of the supervisory board are defined by the company statute and the Supervisory board rules available on the Issuer [www.resbud.pl](http://www.resbud.pl) website.

Since the composition of the supervisory board does not exceed 5 persons before the transfer of the company to Estonia, the functions of the Audit committee up to the date of the year of 20.10.2018 are entrusted to the entire composition of the supervisory board. On 20.10.2018 R. The supervisory board of the company decided to appoint an audit committee in three-person composition, namely: Wojciech Hetkowski – Chairman, Jacek Koralewski – Member, Małgorzata Patrowicz – member. In the assessment of the supervisory board, the audit committee in the selected personal composition fulfils the requirements set out in 128 paragraph. 1 and art. 129 paragraph. 1, 3, 5 and 6 of the Polish Statutory Auditors Act.

The Audit committee conducts the monitoring of auditing of financial statements by the statutory auditor and includes an audit on how to draw up the Management Board report from the Company's activities and prepare the relevant resolutions The ordinary general meeting of shareholders.

#### **5. Description of the main features of internal audit and risk management systems in connection with the process of preparing annual accounts.**

The issuer's management with a simplified structure and a relatively limited amount of Financial risks did not develop and did not introduce a written procedure for the internal control system and risk management for the reporting of. However, the issuer with the utmost diligence approaches the issue of financial reporting to the point.

The company's management is responsible for the internal control system in the Sp and its effectiveness in terms of the correct Financial statements and periodic reports. Financial statements and reports Periodic basis of financial data derived from the financially-funded system, where they are recorded according to the rules of the This accounting policy is compatible with Set A about Accounting'sci.

The control of the correct conduct of Periodic financial statements is carried out by the independent course of the Auditor's Annual financial audits and on each of the 2018 Anniversary's RÓ Annual Browsing A Dom Reporań financial resources.

The management board also took the action of the supervisory Board and the audit Committee to the extent indicated in paragraph 4.2 of this report.

The financial statements are made by the professional entity, in 2018 the issuer used the services of the offices and the statutory auditor "Galex", the service provider of an outsourcing contract for the benefit of the Issuer. With the services of a Specialised Office, the management Board shall be provided with the external advice of the Any problem arising out of the proper management of the Company's activities, such as Financial statements, including Quarterly, Annual and annual financial statements and tax issues.

**6. Indication of the owners of the shares which confer specific audit powers and a description of those entitlements.**

All shares of the company are ordinary shares. No series of shares shall confer any special powers on shareholders who have such audit powers. The statutes of the Company shall also not confer any powers on the shareholders, and in particular the powers relating to the audit of the company.

**7. Any restrictions on the transferring of the issuer's shares and the exercise of voting rights.**

According to the best knowledge of the board of RESBUD SE in 2018, there were no restrictions on the transferring of shares or in the exercise of voting rights from the shares of the issuer. The information held by the Management board shows that all shareholders holding shares had the right to vote at the general meeting of the company.

**8. Regulations concerning the amendment of the company Statutes.**

In 2018, Resbud SE changed its headquarters from the Republic of Poland to Estonia. Until 30 November 2018, i.e. until the company's seat was in Poland, the amendment of the Statute was based on the provisions of the Polish Commercial companies code. Under Polish law, the amendment of the statutes required the resolution of the general Meeting and the registration in the commercial register. The resolution on the amendment of the statutes required a majority of 3/4 votes.

Since the transfer of the Company's registered office to Estonia, i.e. from 30 November 2018 the company statute has changed. In addition, changes to the statutes have changed. According to the Estonian Trade Code, a resolution of the general Meeting is required by a majority of 2/3 votes to amend the statutes. The Statutes of the company do not foresee further requirements for such a resolution. Also in accordance with the current company § 300 (2) of the Estonian Commercial Code to amend the statutes is required entry in the commercial register.

The current copy of the statute can be found on the Company's website [www.resbud.pl](http://www.resbud.pl). A copy of the statute can also be obtained from the Estonian Commercial register at <https://ariregister.rik.ee/>.

**9. Authority of board members including authorisation to increase capital and issue shares.**

The Board of Directors did not have any specific powers in 2018 including entitlement to capital increase and issuance of shares.

**10. Diversity policy.**

The company did not introduce diversity policy. The reason for this is the minimum number of employees employed. In the company organ, diversity issues are explained in section 3 for the description of principle II.R.2.

Bartosz Stradomski

Chairman of the Management Board

RESBUD SE