

PART 7

REPRESENTATION OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY ON THE COMPANY'S COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

7.1. INTRODUCTION

In compliance with the obligation stipulated in §70(4)(5) of the Ordinance concerning current and periodic information, the Management Board of Stalexport Autostrady publishes this statement of compliance by the Company with the corporate governance rules specified in the DPSN 2021 collection in the period from 1 January 2023 until 31 December 2023.

7.2. COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES THE COMPANY IS SUBJECT TO AND ITS PUBLIC AVAILABILITY

The Management Board of Stalexport Autostrady represents that the corporate governance rules the Company was subject to in 2023, i.e. the DPSN 2021, are publicly available on the following websites:

- of the Warsaw Stock Exchange (www.corp-gov.gpw.pl);
- of the Polish Association of Stock Exchange Issuers (www.seg.org.pl);
- of the Company (www.stalexport-autostrady.pl).

7.3. COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES THE COMPANY WAS ALLOWED TO DECIDE TO APPLY VOLUNTARILY AND ITS PUBLIC AVAILABILITY

The collection of corporate governance principles which the Company decided voluntarily to comply with comprises the following documents in force at the Mundys S.p.A Capital Group:

- Code of Ethics,
- Compliance Program,
- Anti-Bribery Policy,
- Whistleblowing Procedure.

The above documents were accepted for application subject to the provision that they shall be in force without any changes, unless their provisions are contrary to the Polish law.

All the above documents are available on the Company's website (www.stalexport-autostrady.pl).

7.4. ALL INFORMATION CONCERNING THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY EXCEEDING THE REQUIREMENTS PROVIDED FOR BY THE NATIONAL LAW, TOGETHER WITH INFORMATION ON THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY

On 28 December 2020, the Company adopted the "Whistleblowing Procedure", in accordance with the guidelines in force in the Atlantia Group (currently Mundys), subject to the following provisions: (1) its content has been adapted to the organisational structure in force in the Company; (2) the procedure applies without changes, provided that its provisions are not contrary to the provisions of the Polish law; (3) if the procedure refers to

provisions of the Italian law or of international law, this should be deemed as reference to the provisions of the Polish law or of international law applicable in the relevant area, if Poland is a party to the relevant international agreements or conventions. This procedure replaced the previously applicable “Notification Procedure”. The Whistleblowing Procedure was updated three times in the years 2021–2023 (most recently on 26 August 2022).

7.5. EXTENT TO WHICH THE COMPANY DEPARTED FROM THE PROVISIONS INCLUDED IN THE ABOVE-MENTIONED COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES, IDENTIFICATION OF THOSE PROVISIONS AND EXPLANATION OF THE REASONS FOR THE DEPARTURE

Pursuant to §29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange], on 30 July 2021, the Company submitted, via the Electronic Information Database (EBI), information on the status of application by Stalexport Autostrady of the principles included in the collection entitled “Best Practice of GPW Listed Companies 2021” adopted by resolution No. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange of 29 March 2021, which entered into force on 1 July 2021. Currently, following updates to the above information reported on 3 March 2022, 24 February 2023 and 6 April 2023, the Company does not apply 12 principles of DPSN 2021, i.e. principles with the following numbers: 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 1.6., 2.1., 2.2., 2.4., 3.2., 6.2. and 6.4.

The DPSN 2021 principles from which the Company departed are presented in the table below, with an explanation of the reasons for such departure.

TABLE 1 | PRINCIPLES IN FORCE FROM 1 JULY 2021 FROM WHICH THE COMPANY DEPARTED WITH AN EXPLANATION OF THE REASONS FOR THE DEPARTURE

Principle no. (DPSN 2021)	Principle contents	Reasons for the Company’s departure from the principle
1.3.1.	Companies integrate ESG factors in their business strategy, including in particular: environmental factors, including measures and risks relating to climate change and sustainable development;	The Company does not have a formalised business strategy that would take into account ESG aspects. However, taking into account the importance of such aspects, it intends to undertake actions aimed at developing such a strategy and subsequently implementing it by mid-2024.
1.3.2.	social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees’ rights, dialogue with local communities, customer relations.	Explanation why this principle is not applied: same as for item 1.3.1.
1.4.	To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both	Explanation why this principle is not applied: same as for item 1.3.1.

	financial and non-financial. ESG information concerning the strategy should among others:	
1.4.1.	explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;	Explanation why this principle is not applied: same as for item 1.3.1.
1.4.2.	present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.	Explanation why this principle is not applied: same as for item 1.3.1.
1.6.	Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and media representatives. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.	<p>The Company holds a meeting for investors once a year, after publication of the statements for the previous year.</p> <p>The Company sees no need to increase the frequency of meetings with investors because:</p> <ul style="list-style-type: none"> • the Company's activity is characterised by high predictability of revenues and expenses: <ul style="list-style-type: none"> – the dominant share of revenues and expenses is generated by the multi-annual motorway concession project with a history of over 20 years of vehicle traffic, toll rates and revenues; – in addition, quarterly reports include information on the development of traffic and revenues in the respective quarters; • during the meeting with investors, the Company presents its investment plan for the current year, allowing the investors to obtain information on investment expenditures or to estimate the latter.
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	Taking into account the size of the activity carried out and guided by the principle of adequacy, the Company has not drawn up and does not implement a policy of diversity. The main criteria for evaluation applied when selecting members of the Company's bodies and its key managers are qualifications, expertise, and professional experience of the individual candidates, confirming that they are prepared to perform the relevant function in terms of their knowledge concerning the relevant field.

	minority group in each body should be at least 30%.	
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 why this principle is not applied: same as for item 2.1.
2.4.	The supervisory board and the management board vote in an open ballot unless otherwise required by law.	Application of the principle with regard to Supervisory Board resolutions would require an amendment to the Company's Statutes and to the Regulations of the Supervisory Board.
3.2.	Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.	<p>Separate organisational units are included in the organisational structure of Stalexport Autostrady S.A. responsible for the performance of tasks in individual systems or functions:</p> <ul style="list-style-type: none"> • compliance supervision, for which a Compliance Officer was appointed in the Company. • risk management, for which a Chief Risk Management Officer was appointed. • internal audit, for which an Internal Audit Director was appointed. <p>In turn, the Management Board of Stalexport Autostrady S.A. is responsible for the system of internal control and its effectiveness.</p>
6.2.	Incentive schemes should be structured in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.	The principle is applied with regard to the members of the Management Board. Incentive schemes for key managers who are not members of the Management Board at the same time result from the Rules of Remuneration in force at the Company.
6.4.	As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.	Departure from this principle results from the decisions of the Company's shareholders, expressed in the resolutions adopted by the Ordinary General Meeting on 4 April 2023, as a result of which remuneration of supervisory board members would no longer be differentiated depending on their membership of committees. The company continues to not

make the remuneration of supervisory board members depend on the number of meetings held. In fact, therefore, non-compliance with the principle is therefore only partial.

Source: The Company's own compilation