

1. STATEMENT ON THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES IN THE COMPANY IN 2023

1.1. INDICATION OF THE SET OF CORPORATE GOVERNANCE PRINCIPLES TO WHICH THE ISSUER IS SUBJECT AND THE PLACE WHERE THE TEXT OF THE SET OF PRINCIPLES IS PUBLICLY AVAILABLE

In 2023, RAWLPLUG S.A. was subject to the principles set out in the document "Best Practice for WSE Listed Companies 2021" adopted by Resolution No. 13/1834/2021 of the WSE Supervisory Board of 29 March 2021 <https://www.gpw.pl/dobre-praktyki2021>.

The statement on the scope of application of the corporate governance principles is available on the Company's website at www.rawlplug.pl in the "Corporate Website / Investor Relations / Corporate Governance" tab.

1.2. INFORMATION ON THE EXTENT TO WHICH THE ISSUER HAS DEPARTED FROM THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE AND AN INDICATION OF THESE PROVISIONS AND AN EXPLANATION OF THE REASONS FOR SUCH WITHDRAWAL

In 2023, RAWLPLUG S.A. applied the principles set out in the "Code of Best Practice for WSE Listed Companies 2021", with the exception of:

I. Information policy and communication with investors

1.4. In order to ensure proper communication with stakeholders regarding the adopted business strategy, the Company publishes on its website information on the assumptions of its strategy, measurable goals, including in particular long-term goals, planned activities and progress in its implementation, defined by financial and non-financial measures. Information on ESG strategies should m.in:

1.4.2. present the value of the equal pay ratio paid to its employees, calculated as the percentage difference between the average monthly salary (including bonuses, awards and other allowances) of women and men for the last year, and present information on the actions taken to eliminate possible inequalities in this respect, together with a presentation of the risks associated with this and the time horizon in which equality is planned.

Currently, the Company does not keep such statistics, however, in the near future it will publish on its website the data and values of the ratios indicated in clause 1.4.2.

II. Management Board and Supervisory Board

2.1. The Company should have a diversity policy for the Management Board and the Supervisory Board, adopted by the Supervisory Board or the General Meeting, respectively. The diversity policy defines the objectives and criteria of diversity, m.in. in areas such as gender, field of education, specialist knowledge, age and professional experience, and indicates the date and method of monitoring the implementation of these goals. In terms of gender diversity, the condition for ensuring the diversity of the company's bodies is the participation of minorities in a given body at a level of not less than 30%.

With respect to members of the Supervisory Board, the company meets the condition of ensuring diversity at a level of not less than 30%. The Company does not have a formalized document in the form of a diversity policy for the Management Board and the Supervisory Board. The most important criterion for selecting members of the Company's governing bodies is the competence of the members of the management board and the supervisory board.

2.2. Persons making decisions on the selection of members of the company's management or supervisory board should ensure the versatility of these bodies by selecting persons ensuring diversity in their composition, enabling, m.in other things, to achieve the target minimum minority share ratio set at a level of not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.

As indicated in the explanation to rule 2.1, the company does not have formalised documents concerning the diversity policy with respect to the management and supervisory boards. Determining the composition of the supervisory board and the management board is the responsibility of the general meeting and the supervisory board, respectively. The main criteria for selecting members of the management board and supervisory board are the competences, education, experience of the candidates and the company's needs.

2.11.6. information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in principle 2.1.

Due to the lack of a formalised document in the form of a diversity policy, the Supervisory Board does not assess the degree of its implementation.

III. Internal systems and functions

3.6 The head of internal audit reports organizationally to the President of the Management Board, and functionally to the Chairman of the Audit Committee or the Chairman of the Supervisory Board, if the Board performs the function of the Audit Committee.

The Company does not appoint a separate internal auditor to manage the internal audit function in the Company.

3.7. Rules 3.4 - 3.6 also apply to entities from the company's group that are significant to its business, if they have designated persons to perform these tasks.

The Company does not appoint a separate internal auditor to manage the audit function. The Company also does not separate separate positions for persons responsible for risk management and compliance in the companies of the capital group, and thus does not apply the principles indicated in sections 3.4-3.6.

IV. General Meeting and relations with shareholders

4.1. The Company should allow shareholders to participate in the General Meeting using electronic means of communication (e-General Meeting), if it is justified due to the expectations of shareholders reported to the Company, provided that it is able to provide the technical infrastructure necessary to conduct such a General Meeting.

The Company does not apply and does not expect to apply this rule in the future due to the low interest of the Company's shareholders in this form of participation in the General Meeting and the risk associated with the technical side of conducting such a General Meeting, including ensuring proper identification of shareholders, security of electronic communication and smooth and uninterrupted conduct of the General Meeting.

4.3. The Company provides a publicly available broadcast of the General Meeting in real time.

The principle is not applied for the reasons indicated in the commentary to rule 4.1. The Company does not apply this rule also due to the low interest of the Company's shareholders in this form of conducting the general meeting.

1.3. DESCRIPTION OF THE RULES FOR APPOINTING AND DISMISSING MANAGING PERSONS AND THEIR POWERS, IN PARTICULAR THE RIGHT TO DECIDE ON THE ISSUE OR REDEMPTION OF SHARES

Pursuant to § 27 section 1 of the Articles of Association, the Management Board consists of one or more members, including the President and Vice-Presidents appointed and dismissed by the Supervisory Board. The Company may be represented by each member of the Management Board individually. The company may also be represented by proxies appointed by the Management Board, on the basis of and within the limits of the power of attorney granted to them. The term of office of the Management Board is three years and runs from the date of its appointment.

Meetings of the Management Board are held as needed, but not less frequently than once a quarter. The meetings of the Management Board are recorded.

The Management Board manages the Company's operations, manages and disposes of its movable and immovable assets and the rights vested in the Company, adopts resolutions and decisions on all matters not reserved for the General Meeting or the Supervisory Board.

Resolutions of the Management Board may be adopted if all persons entitled to participate in the Management Board meeting have been duly invited to the meeting and at least two members of the Management Board are present.

Resolutions of the Management Board are adopted by an absolute majority of votes cast, unless the Articles of Association provide otherwise.

A resolution of the Management Board is required by:

- 1) incurring a debt other than ordinary trade credit,
- 2) issue of shares, bonds, warrant or bill of exchange,
- 3) providing security for any debt of another entity, including a subsidiary,
- 4) establishing a mortgage or making any other encumbrance on the Company's assets,
- 5) conclusion of an agreement which results in the obligation to provide or the risk of provision by the Company during one financial year of goods, services or money with a value exceeding PLN 2,000,000.00 (two million zlotys), unless the conclusion of such an agreement is provided for in the Company's annual financial plan (budget) adopted by the Management Board and approved by the Supervisory Board,
- 6) convening the General Meeting or the Supervisory Board,
- 7) filing a lawsuit for annulment or repeal of resolutions of the General Meeting,
- 8) filing a petition for bankruptcy of the Company.

The Company's Articles of Association do not grant the Management Board any powers to make decisions on the issue or redemption of shares, they fall exclusively within the competence of the General Meeting. However, in accordance with the Company's Articles of Association, before making a decision on the issue of shares, the Management Board is obliged to adopt an appropriate resolution beforehand.

1.4. DESCRIPTION OF THE RULES FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION

Pursuant to §Article 16.2.2 of the Articles of Association of RAWLPLUG S.A., any amendments to the Company's Articles of Association fall exclusively within the competence of the General Meeting. All issues related to the manner of amendments to the Articles of Association are regulated exclusively and by the mandatory provisions of the Commercial Companies Code. The Company's Articles of Association do not contain any specific provisions in this case.

1.5. THE MANNER OF OPERATION OF THE GENERAL MEETING AND ITS FUNDAMENTAL POWERS, AS WELL AS A DESCRIPTION OF THE RIGHTS OF SHAREHOLDERS AND THE MANNER IN WHICH THEY ARE EXERCISED, IN PARTICULAR THE RULES ARISING FROM THE RULES OF PROCEDURE OF THE GENERAL MEETING, IF SUCH RULES HAVE BEEN ADOPTED, UNLESS INFORMATION TO THAT EFFECT ARISES DIRECTLY FROM THE PROVISIONS OF LAW

The General Meeting operates on the basis of the provisions of the Commercial Companies Code and the Company's Articles of Association.

The organization and mode of operation of the General Meeting are specified in detail in the Bylaws of the General Meeting adopted by the General Meeting, which can be found on the www.rawlplug.pl website.

In accordance with the Articles of Association in force in 2023, General Meetings may be held at the Company's registered office.

The General Meeting is convened by the Management Board of the Company.

The Annual General Meeting should be held within six months after the end of each financial year.

The Supervisory Board has the right to convene an Annual General Meeting if the Management Board fails to convene it within the prescribed time limit and an Extraordinary General Meeting if it deems it advisable to convene it. Each

independent member of the Supervisory Board may request that the General Meeting be convened and that certain matters be included in the agenda of the General Meeting.

Shareholders representing at least half of the share capital or at least half of the total number of votes in the Company may convene an Extraordinary General Meeting. A shareholder or shareholders representing at least one-twentieth of the share capital may, prior to the date of the General Meeting, submit to the Company, in writing or by means of electronic communication, draft resolutions concerning matters included in the agenda of the General Meeting or matters to be included in the agenda.

The General Meeting is convened by means of an announcement posted on the Company's website at least twenty-six days prior to the date of the General Meeting and in the manner specified for the provision of current information in accordance with the regulations on public offering, conditions governing the introduction of financial instruments to organized trading, and public companies.

Draft resolutions of the General Meeting are presented to shareholders within the deadlines specified in the provisions of the law on trading in financial instruments, the Code of Commercial Companies and other relevant regulations.

Only persons who are shareholders of the Company sixteen days before the date of the General Meeting may participate in the General Meeting and exercise the right to vote. Shareholders may participate in the General Meeting in person or through proxies. The power of attorney should be granted in writing or in electronic form and attached to the minutes of the General Meeting.

The basic rights and obligations of shareholders entitled to participate in the General Meeting include in particular:

- 1) exercising voting rights,
- 2) submitting applications,
- 3) request for a secret ballot,
- 4) the right to object and request that it be recorded,
- 5) asking questions and requesting explanations from the members of the Company's governing bodies present at the meeting on matters related to the adopted agenda,
- 6) compliance with the established agenda, the law, the provisions of the Company's Articles of Association and good practices.

Each shareholder participating in the General Meeting has the right to propose candidates for each of the elected functions.

The rules for electing the Supervisory Board by the General Meeting are set out in the Company's Articles of Association.

The General Meeting is valid regardless of the number of shares represented at it.

Resolutions of the General Meeting are adopted by an absolute majority of votes cast, unless a mandatory provision of law or the Company's Articles of Association provide otherwise.

Voting may be conducted with the use of an electronic voting and vote counting system or without the use of such a system.

In matters not included in the agenda, a resolution may not be adopted, unless the entire share capital is represented at the General Meeting and no one present has raised objections to the adoption of the resolution.

In accordance with the Articles of Association in force in 2023, the subject of resolutions of the General Meeting, among other matters indicated in the Commercial Companies Code, should be:

- 1) consideration and approval of the financial statements and the Management Board's report on the Company's operations and the Supervisory Board's report for the previous financial year,
- 2) adoption of a resolution on the method of distribution of profit or coverage of losses for the previous financial year,

- 3) adoption of resolutions on granting discharge to members of the Company's governing bodies,
- 4) electing new bodies of the Company, if they are elected by the General Meeting and the mandates of their members expire on the date of the General Meeting.

The exclusive competence of the General Meeting also includes:

- 1) appointing and dismissing members of the Supervisory Board, subject to the provisions of § 18 of the Articles of Association,
- 2) amendment of the Company's Articles of Association,
- 3) decision on the issue or buyout of shares,
- 4) issue of bonds convertible into shares or bonds with a pre-emptive right to take up the Company's shares,
- 5) issuance of subscription warrants,
- 6) determining the principles of remuneration and remuneration of members of the Supervisory Board,
- 7) merger or dissolution of the Company and selection of liquidators,
- 8) sale and lease of the Company's enterprise or establishment of the right of usufruct thereon,
- 9) consideration of claims against members of the Company's governing bodies or founders of the Company for redress of damage caused by their unlawful actions,
- 10) increase or decrease of the Company's share capital.

In addition, pursuant to Article 90d(1) of the Public Offering Act, the General Meeting is competent to adopt by way of a resolution the remuneration policy for members of the Management Board and the Supervisory Board.

The resolutions of the General Meeting are included in the minutes drawn up by a notary.

1.6. COMPOSITION AND CHANGES THAT HAVE TAKEN PLACE IN IT DURING THE LAST FINANCIAL YEAR AND DESCRIPTION OF THE ACTIVITIES OF THE ISSUER'S MANAGEMENT, SUPERVISORY OR ADMINISTRATIVE BODIES AND THEIR COMMITTEES

Board

The composition of the Company's Management Board did not change during 2023.

As at 31.12.2023, as well as the composition of the Management Board of RAWLPLUG S.A. as at 31.12.2023, as well as the publication of this Report, is as follows:

Radosław Koelner	- CEO
Marek Mokot	- Vice President of the Management Board
Piotr Kopydłowski	- Member of the Management Board for Finance

The Management Board of the Company operates on the basis of the provisions of the Commercial Companies Code and the Articles of Association. The organization and mode of operation of the Management Board are specified in detail in the Regulations of the Management Board approved by the Supervisory Board, which can be found on the www.rawlplug.pl website .

The Company may be represented by each member of the Management Board individually. The company may also be represented by proxies appointed by the Management Board, on the basis of and within the limits of the power of attorney granted to them. The term of office of the Management Board is three years and runs from the date of its appointment. The mandate of a member of the Management Board expires on the date of the Annual General Meeting approving the financial statements for the last year of his term of office.

Meetings of the Management Board are held as needed, but not less frequently than once a quarter. The meetings of the Management Board are recorded.

The Management Board manages the Company's operations, manages and disposes of its movable and immovable assets and the rights vested in the Company, adopts resolutions and decisions on all matters not reserved for the General Meeting or the Supervisory Board.

Resolutions of the Management Board may be adopted if all persons entitled to participate in the Management Board meeting have been duly invited to the meeting and at least two members of the Management Board are present.

Resolutions of the Management Board are adopted by an absolute majority of votes cast, unless the Articles of Association provide otherwise.

A resolution of the Management Board is required by:

- 1) incurring a debt other than ordinary trade credit,
- 2) issue of shares, bonds, warrant or bill of exchange,
- 3) providing security for any debt of another entity, including a subsidiary,
- 4) establishing a mortgage or making any other encumbrance on the Company's assets,
- 5) conclusion of an agreement which results in the obligation to provide or the risk of provision by the Company during one financial year of goods, services or money with a value exceeding PLN 2,000,000.00 (two million zlotys), unless the conclusion of such an agreement is provided for in the Company's annual financial plan (budget) adopted by the Management Board and approved by the Supervisory Board,
- 6) convening the General Meeting or the Supervisory Board,
- 7) filing a lawsuit for annulment or repeal of resolutions of the General Meeting,
- 8) filing a petition for bankruptcy of the Company.

Supervisory board

The composition of the Company's Supervisory Board has not changed during 2023.

The composition of the Company's Supervisory Board as at 31.12.2023 as well as as at the date of publication of this Report is as follows:

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|--------------------------|--|
| – Krystyna Koelner | - Chairwoman of the Supervisory Board |
| – Tomasz Mogilski | - Deputy Chairman of the Supervisory Board |
| – Włodzimierz Frankowicz | - Member of the Supervisory Board |
| – Janusz Pajka | - Member of the Supervisory Board |
| – Anna Piotrowska - Kus | - Member of the Supervisory Board |
| – Zbigniew Stabiszewski | - Member of the Supervisory Board |

The Supervisory Board operates on the basis of the provisions of the Commercial Companies Code and the Company's Articles of Association. The organisation and operation of the Supervisory Board and the manner in which it adopts resolutions are specified in detail in the Rules of Procedure of the Supervisory Board adopted by the General Meeting. These regulations can be found on the www.rawlplug.pl website.

The number of members of the Supervisory Board is determined by the General Meeting prior to the election of the Supervisory Board members. The Supervisory Board is elected for a three-year term.

Members of the Supervisory Board may not be employees of the Company or members of the governing bodies or employees of the Company's subsidiaries. They may also not deal with interests competing with the interests of the Company.

No less than two members of the Supervisory Board should meet the independence criterion set out in the Company's Articles of Association.

In addition, an Independent Member of the Supervisory Board should meet the criteria set out in Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11.05.2017 (Journal of Laws of 2017, item 1089, as amended) and set out in the "Best Practice for WSE Listed Companies 2021".

The Chairman of the Supervisory Board is elected by the General Meeting from among the members of the Supervisory Board elected by the General Meeting. The Deputy Chairman of the Supervisory Board is elected by the Supervisory Board in a secret ballot.

Resolutions of the Supervisory Board may be adopted if all members have been duly invited to the meeting.

Resolutions of the Supervisory Board are adopted by an absolute majority of votes cast, unless the Articles of Association provide otherwise. In the event of an equal number of votes, the Chairman of the Supervisory Board has the casting vote. Meetings of the Supervisory Board are recorded.

Members of the Supervisory Board perform their duties only in person.

The Supervisory Board may delegate its members to perform specific supervisory activities individually.

Members of the Management Board may participate in Supervisory Board meetings with an advisory vote.

Members of the Supervisory Board receive remuneration for the performance of their duties in the amount specified by the General Meeting.

Meetings of the Supervisory Board are convened at least once a quarter by its Chairman, and in his absence by the Vice-Chairman, on his own initiative, at the request of the Management Board or a member of the Supervisory Board.

An invitation to a meeting is deemed to be effective if an invitation is sent at least ten days before the date of the meeting. Meetings of the Supervisory Board may be held with the use of means of remote communication, provided that it is ensured that all participants of the meeting will be able to hear all other participants as well as have the opportunity to speak, and that all participants will be able to have the same documents concerning the matters on the agenda.

Adoption of a written resolution by circulation is admissible.

The Supervisory Board's responsibilities include:

- 1) audit and assessment of the Management Board's report on the activities of the Company and the RAWLPLUG Capital Group in terms of compliance with documents and books as well as with the facts,
- 2) audit and assessment of the separate and consolidated financial statements for the previous financial year, in terms of compliance with documents and books, as well as with the facts,
- 3) examination and assessment of the Management Board's motions regarding the distribution of profit or coverage of loss,
- 4) preparing and submitting to the General Meeting an annual written report for the previous financial year (Supervisory Board report),
- 5) preparation of a report on the remuneration of members of the Management Board and the Supervisory Board,
- 6) assessment of the Company's standing, including the assessment of internal control, risk management, compliance and internal audit systems,
- 7) assessment of the manner in which the Company fulfils its disclosure obligations regarding the application of corporate governance principles,
- 8) assessment of the rationality of the Company's policy in the field of sponsorship, charity or other similar activities, if the Company conducts such activities.

The Supervisory Board's powers include exercising ongoing supervision over the Company's operations and exercising the rights and duties provided for by law, in particular:

- 1) determining the remuneration and terms of employment of Management Board members;

- 2) granting consent to members of the Management Board to deal with competitive interests personally or as members of partnerships, members of company or cooperative bodies, as well as shareholders of companies or cooperatives, if their share in the share capital of these companies or cooperatives is greater than 5% or if, under the statute or agreement, they are entitled to appoint at least one member of the management board or supervisory body;
- 3) granting consent for RAWLPLUG S.A. to establish a new company or join an existing company;
- 4) granting consent for the acquisition or disposal by the company of a fixed asset with a net book value of more than 20% of the Company's equity disclosed in the Company's last published financial statements;
- 5) granting consent for the Company to incur loans and credits with a total value of more than 20% of equity disclosed in the last published financial statements of the Company;
- 6) granting consent to the Company granting to natural or legal persons, subject to the provisions of section 2 points 7) and 8), a loan or surety with a value exceeding 5% of equity disclosed in the last published financial statements of the Company;
- 7) granting consent for the Company to grant to entities from the RAWLPLUG S.A. Capital Group loans or sureties with a value of more than 20% of equity disclosed in the last published financial statements of the Company;
- 8) granting consent for the Company to conclude an agreement for an amount exceeding PLN 2 million with a shareholder holding at least 5% of the total number of votes in the Company or a related party;
- 9) granting consent to the sale, purchase and encumbrance of real estate or its fractional parts;
- 10) approving the Rules of Procedure of the Management Board;
- 11) selection of a statutory auditor to audit or review the financial statements;
- 12) delegating members of the Supervisory Board from among its members to perform the functions of the Management Board, in the event of suspension of its members.

The Supervisory Board represents the Company in agreements and in disputes with members of the Management Board, and the Supervisory Board, on the basis of each authorization granted by way of a resolution, is signed by the Chairman of the Supervisory Board or another member of the Board appointed by a resolution of the Supervisory Board.

The Supervisory Board considers and gives opinions on matters to be discussed by the General Meeting.

The detailed procedure for convening and working on the Supervisory Board is specified in the Rules of Procedure adopted by the General Meeting at the request of the Chairman of the Supervisory Board.

In accordance with the Rules of Procedure, the Supervisory Board may appoint and, where required by law, appoint standing committees from among its members. The Supervisory Board appoints, in particular, the Audit Committee.

By resolution of 28.11.2005, the Supervisory Board of the Company appointed **the Audit Committee**.

In accordance with the Rules of Procedure of the Audit Committee adopted by the Supervisory Board, the tasks of the Audit Committee include supporting the Supervisory Board as a statutory body of the Company in the performance of its supervisory duties and other duties specified in the regulations of Polish and EU law, including in particular:

- 1) Monitoring:
 - a) financial reporting process;
 - b) the effectiveness of internal control, risk management and internal audit systems, including financial reporting;
 - c) performing financial audit activities, in particular conducting an audit by an audit firm, taking into account all conclusions and findings of the Polish Audit Oversight Agency resulting from an audit carried out in an audit firm;
- 2) controlling and monitoring the independence of the statutory auditor and the audit firm, in particular if the audit firm provides services other than audit to the Company (monitoring of the independence of the

statutory auditor and the audit firm is carried out, inter alia, by reviewing the audit firm's compliance with the applicable guidelines on the rotation of statutory auditors, the amount of fees paid by the Company to the audit firm and regulatory requirements in this respect);

- 3) informing the Supervisory Board of the results of the audit and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as the role of the Audit Committee in the audit process;
- 4) assessing the independence of the statutory auditor and granting consent to the provision of permitted non-audit services in the Company (the nature and scope of permitted non-audit services are controlled in particular on the basis of the disclosure by the audit firm or the statutory auditor of the sum of all fees paid by the Company to the audit firm and its network, in order to prevent a material conflict of interest in this respect);
- 5) development and revision of the policy for the selection of an audit firm to conduct the audit;
- 6) developing and revising the policy for the provision of permitted non-audit services by the audit firm conducting the audit, by entities related to the audit firm and by a member of the audit firm's network;
- 7) defining and reviewing the procedure for selecting an audit firm by the Company;
- 8) assessment of the audit firm selection process and presenting to the Supervisory Board the recommendation referred to in Article 16(2) of Regulation 537/2014 regarding the appointment of statutory auditors or audit firms, in accordance with the policies referred to in points 5 and 6 above;
- 9) reviewing the effectiveness of the external audit process and monitoring the management response to the recommendations made by the auditors;
- 10) Examining the issues that give rise to the resignation from the audit firm or auditor and making recommendations on the required actions to be taken depending on the circumstances;
- 11) making recommendations to ensure the integrity of the Company's financial reporting process;
- 12) reviewing, at least annually, internal control and risk management systems to ensure that principal risks (including those related to compliance with applicable regulations) are correctly identified, managed and disclosed;
- 13) supervising the organizational unit dealing with the Company's internal audit;
- 14) if the Company has a separate internal audit function – ensuring the effectiveness of the internal audit function, in particular by issuing recommendations on the selection, appointment, reappointment and dismissal of the head of the internal audit department and on the budget of this department, as well as by monitoring the management staff's response to its findings and recommendations.

In 2023, the composition of the Audit Committee did not change. As at 31.12.2023 and as at the date of this Report, the Company's Audit Committee was composed of: Zbigniew Stabiszewski, Janusz Pajka and Włodzimierz Frankowicz. In 2023, the Audit Committee held seven meetings.

Mr. Włodzimierz Frankowicz and Mr. Janusz Pajka meet the independence criteria for an independent member of the supervisory board and for independent members of the Audit Committee, within the meaning of the "Code of Best Practice for WSE Listed Companies 2021" and the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11, 2017 (Journal of Laws of 2017, item 1089). Mr. Zbigniew Stabiszewski, in connection with the period of sitting on the Supervisory Board of the Company on 31.05.2023, lost the independence criterion indicated in Article 129 section 3 point 8 of the Act of 11.05.2017 on statutory auditors, audit firms and public supervision (Journal of Laws of 2019, item 1421, as amended). Audit. The Supervisory Board, by resolution of 19.05.2023, appointed Mr. Włodzimierz Frankowicz as the Chairman of the Audit Committee as of 01.06.2023

Competences of the Audit Committee members in the field of accounting and knowledge of the industry:

Zbigniew Stabiszewski has:

- knowledge and skills in the field of accounting resulting from the fact that since 2006 he has been operating in the economic consulting sector mainly for companies and local government units. He is a member of the supervisory boards of State Treasury companies. He has many years of experience in working on supervisory boards,

including audit committees of supervisory boards, entities related to the banking sector, investment funds, trading in financial instruments and enterprises;

- knowledge and skills in the field of the industry gained as a Member of the Supervisory Board of the Company in the years 2011-2018 and resulting from the fact that from 2006 to the present year he has been operating in the business consulting sector mainly for companies and local government units.

Włodzimierz Frankowicz has:

- knowledge and skills in the field of accounting resulting from the fact that in the years 1990-2016 he was the owner and manager of the Accounting and Accounting Office "STORNO" spółka z o.o., he also has the following qualifications related to the practice of the profession:
 - Qualification Certificate No. 2000/97 issued by the Minister of Finance for persons providing accounting services – 1997
 - Tax advisor in accordance with entry No. 3055 on the list of tax advisors made by the Minister of Finance – 1997.
- knowledge and skills in the field of the industry resulting from the fact that in the years 1988 - 1990 he held the position of the general director in the ARMATRONIC Electronic Devices Manufacturing Plant, where he personally supervised the functioning of the plastics processing plant, the production and repair of injection molds and the work of the team of designers.

Janusz Pajka has:

- knowledge and skills in the field of the industry gained as a Member of the Company's Supervisory Board.

The Supervisory Board is responsible for the selection of the statutory auditor to audit the Company's separate and consolidated financial statements. A statutory auditor authorized to audit the Company's financial statements is understood as an entity specified in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2017, item 1089).

Pursuant to § 23 section 13 point 8 of the Company's Articles of Association, the Audit Committee evaluates the auditor selection process and presents to the Supervisory Board a recommendation regarding the selection of an audit firm. The entity authorised to audit the financial statements of RAWLPLUG S.A. and the consolidated financial statements of the RAWLPLUG S.A. Capital Group for 2023 is Grant Thornton Polska prosta spółka akcyjna. The audit firm was selected on May 13, 2022 by the Company's Supervisory Board. The Audit Committee's recommendation to extend the cooperation with the existing audit firm was prepared as a result of an organized procedure that met the applicable regulations.

The following documents are in force in the Company:

- "Policy for selecting an audit firm to be audited by a public interest entity – RAWLPLUG S.A. with its registered office in Wrocław",
- "Procedure for selecting an audit firm by a public interest entity - RAWLPLUG S.A. with its registered office in Wrocław",
- "Policy for the provision of permitted non-audit services by the audit firm conducting the audit, by entities related to the audit firm and by a member of the audit firm's network to a public interest entity – RAWLPLUG S.A. with its registered office in Wrocław",

the provisions of which meet the requirements of the Act on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws of 2017, item 1089).

In the process of selecting an audit firm to audit the Company's financial statements, the Company's governing bodies and the Audit Committee (as a body established within the Supervisory Board, which is not a formal and legal body of the Company) are guided by care for compliance with Polish and EU legal regulations as well as guidelines and explanations of competent supervisory authorities applicable to Public Interest Entities, aimed at:

- 1) ensuring the appropriate quality of research by increasing the standards of audit reporting;
- 2) elimination of the risk of breach of independence and breach of the principle of professional scepticism on the part of the selected audit firm;

- 3) ensuring the independence and objectivity of the selected audit firm and statutory auditor;
- 4) increasing the competence of the Audit Committee as a body playing an important role in ensuring high quality of statutory audits.

The Company complies with the prohibition on the provision of services to it that are not audits by the audit firm conducting the audit, by entities related to the audit firm and by a member of the audit firm's network. Grant Thornton Polska, a simple joint-stock company auditing the separate financial statements of the Company and the consolidated financial statements of the Company's Capital Group for 2023, did not provide non-audit services to the Company.

1.7. DIVERSITY POLICY WITH RESPECT TO THE COMPANY'S MANAGEMENT AND KEY MANAGERS

The diversity policy at RAWLPLUG S.A. is an extension of the Group's Code of Ethics and is an integral part of it.

The aim of this policy is to build awareness and organizational culture open to diversity, which leads to increased work efficiency, building trust and counteracting discrimination.

The Company's diversity policy aims to fully exploit the potential of its employees, their diverse skills, experiences and talents in an atmosphere of respect and support.

RAWLPLUG S.A. implements the principles of diversity management and the policy of equal treatment, bearing in mind respect for a diverse, multicultural society and placing particular emphasis on equal treatment on the grounds of gender, age, disability, health condition, race, nationality, ethnic origin, religion, denomination, non-religion, political belief, trade union membership, psychosexual orientation, gender identity, family status, lifestyle, form, scope and basis of employment or cooperation and other grounds exposing to discrimination.

An important part of the implementation of the diversity policy is creating the right atmosphere at work, which makes employees feel respected and appreciated, and they feel that they can develop and fully realize their professional potential. The company creates a culture in which there is an atmosphere of dialogue, openness, tolerance and teamwork, as well as an approach that minimizes the risks associated with the loss of valuable employees.

When selecting the governing bodies of the Group companies and its key managers, the Company strives to ensure versatility and diversity, especially in the area of gender, education, age and professional experience. The decisive aspect here is, above all, high qualifications and substantive preparation for a specific function.