



Management's representation on Corporate Governance

for the year ending 31 December 2020

CORPORATE GOVERNANCE STATEMENT REGARDING THE YEAR ENDING 31 DECEMBER 2020

This corporate governance statement of Wirtualna Polska Holding S.A. ("Company") regarding the year 2020 was prepared on the basis of art. 91 section 5 point 4 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and on conditions under which such information may be recognised as being equivalent to information required by the regulations of law of a state which is not a member state (Journal of laws of 2014, item 133) and the resolution of the Management Board of the Warsaw Stock Exchange no. 1309/2015 of 17 December 2015.

1. CORPORATE GOVERNANCE PRINCIPLES REGULATING THE OPERATIONS OF THE COMPANY

In 2020 the Company was subject to the set of principles of the corporate governance for joint-stock companies issuing shares, convertible bonds, or senior bonds that are admitted to trade on the stock exchange. The principles of corporate governance in the form of the Best Practices of WSE Listed Companies ("Best Practices") were set out by the Warsaw Stock Exchange ("WSE") as an appendix to the resolution No. 26/1413/2015 of the Supervisory Board of WSE of 13 October 2015. The contents of the document, adopted by the WSE, is publicly available at the seat of the Warsaw Stock Exchange (WSE) and on the website of WSE dedicated to those issues available at <http://corp-gov.gpw.pl>.

INFORMATION ON THE APPLICATION OF THE CORPORATE GOVERNANCE PRINCIPLES

The Company strives to ensure the maximum transparency of its operations, the best quality of communication with its investors and the protection of its shareholders' rights, also in areas not governed by law. Accordingly, the Company takes the necessary actions to observe all the rules comprising the "WSE Best Practices" to the fullest extent possible. The Company observes all the WSE Best Practices that are subject to the comply-or-explain rule, subject to the following:

- **Best Practice I.Z.1.20 – to the extent that it applies to the obligation for the company to present on its website the recordings of the general meetings of the company either in audio or video.** The General Meetings of the Company are organised in a transparent and efficient way allowing shareholders to exercise all the rights attached to the shares on the basis of the comprehensive documentation of resolutions and motions of the General Meetings. The Company publishes all documents related to the General Meetings on its website including the announcement of the convening of such meetings, dates and terms of its course and resolutions adopted by each General Meeting. Thus the Company does not provide a direct broadcast of the General Meetings and does not publish the recordings of the meetings, also given certain legal problems arising thereout.
- **Best Practice II.Z.2. – to the extent where company's management board members may sit on the management board or supervisory board of companies other than members of its group subject to the approval of the supervisory board.** The Company's Management Board Members are not required to obtain approval from the Supervisory Board to sit on the management board or supervisory board of companies other than members of its group. Those people have concluded agreements with the Company containing non-competition clauses requiring them to spend a sufficient amount of time to pursue their duties.
- **Recommendation IV.R.2 – to the extent of the obligation to ensure participation in a general meeting by using means of electronic communication.** In accordance with the Articles of Association, the Company will ensure participation in the General Meeting by means of electronic communication if the announcement of the convocation of the General Meeting contains information about the shareholders having the option to participate in the General Meeting by means of electronic communication. Besides the aforementioned circumstances, the Company sees no justification for introducing such measures and such a demand has never been expressed by the shareholders of the Company.
- **Best Practice IV.Z.2. –to the extent that it applies to the obligation of the company to enable a live broadcast of the general meeting,** the Company is confident that the form of the General Meetings of the Company appropriately secures the interests of all shareholders by ensuring them the possibility of exercising all the rights attached to the shares. The announcement of the General Meeting always contains

information about the drafts of the resolutions and all necessary documentation while the adopted resolutions are published on the Company's website.

- █ **Recommendation VI.R.1– to the extent that it applies to the company's remuneration policy and the rules of the establishment thereof.** The General Meeting of the Company adopted the remuneration policy of the Management Board and Supervisory Board on July 14, 2020. Until the adoption of the remuneration policy, the amount of remuneration of the members of the Company's Management Board was determined based on the scope of tasks entrusted to them and responsibility related to the performed function, as well as on the economic standing of the Company. The remuneration of members of the Supervisory Board is determined by the General Meeting of the Company. Remuneration of members of the Management Board and Supervisory Board, as well as other benefits due to members of the Company's bodies, are disclosed in the annual financial statements, and from 2021 in the remuneration report pursuant to Art. 90g of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies.
- █ **Best Practice VI.Z.2. – to the extent where, to tie the remuneration of members of the management board and key managers to the company's long-term business and financial goals, the period between the allocation of options or other instruments linked to the company's shares under the incentive scheme and their exercisability should be no less than two years.** The Company has introduced a management motivational scheme and according to its rules and concluded share option agreements, the period between the allocation of options and their exercisability is less than two years. However, the scheme and the agreements stipulate that the allocation of options occurs in certain periods of time (vesting) quarterly during 5-6 years provided that the entitled person continues working for the Company and thus the remuneration of members of the management board and key managers is tied to the company's long-term business and financial goals.

2. DESCRIPTION OF THE MAIN CHARACTERISTICS OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF GENERATING THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board of the Company is responsible for the internal control system in the Company and its effectiveness in the process of preparing financial statements and interim reports prepared and published in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information submitted by issuers of securities.

The internal control and risk management system in relation to the financial reporting process is realised through;

- █ procedures specifying the principles and responsibility for the process of preparing financial statements;
- █ verification of reporting data provided by the Capital Group's companies in relation to the consistency of applied accounting principles and IFRS;
- █ semi-annual review and annual audit of the financial statements by an independent auditor;
- █ the process of authorisation and approval of the financial statements before the publication.

An Audit Committee, appointed within the Parent Company's Supervisory Board, supervises the financial reporting process in the Group. The Audit Committee consists of three members, including at least two members (including the Committee Chairman) meets the conditions of independence, at least one member has the knowledge and skills in accounting or auditing financial and at least one member has the knowledge and skills in the industry in which the Company operates. Thus the composition of the Audit Committee meets the requirements of the Act on statutory auditors, auditing companies and public supervision ("Act on Chartered Auditors").

The tasks of the audit committee are specified in legal regulations as well as internal regulations of the Company and include in particular:

- █ monitoring:
 - financial reporting process;
 - effectiveness of internal control systems and risk management systems and internal audit, including financial reporting;

- performing financial auditing activities, in particular conducting an audit by the audit firm, including all applications and findings of the Audit Oversight Commission resulting from audits carried out in the audit firm.
- controlling and monitoring the independence of the statutory auditor and the audit firm, in particular when the auditing firm provides services other than audit for the benefit of the public interest entity;
- informing the supervisory board or other supervisory body or control unit of public interest about the results of the audit and explaining how this research contributed to the reliability of financial reporting in the public interest unit, and what was the role of the audit committee in the audit process;
- assessing the independence of the auditor and consenting to the provision of permitted non-audit services to the public interest entity;
- developing a policy for selecting an audit firm to conduct the audit;
- developing the policy of providing by the auditing company conducting the audit, by entities related to this auditing company and by a member of the auditing company's network of permitted non-audit services;
- determining the procedure for selecting an audit firm by a public interest entity;
- presenting to the supervisory board or other supervisory or control body, or to the authority referred to in art. 66 par. 4 of the Act of 29 September 1994 on accounting, recommendation referred to in art. 16 sec. 2 of Regulation No. 537/2014, in accordance with the policies referred to in points 5 and 6;
- submitting recommendations aimed at ensuring the reliability of the financial reporting process in the public interest entity.

The substantive supervision over the process of preparing the financial statements and periodic reports is conducted by the Chief Financial Officer or Management Boards of the Group's Companies. The Financial Reporting and Cash Flow Management Department and financial-accounting departments of the Group's companies are responsible for the organisation of work related to the preparation of the financial statements. The Group's companies are required to apply uniform accounting policies in the preparation of reporting packages, which are the basis for preparation of the consolidated financial statements of the Wirtualna Polska Holding Capital Group. Separate reporting packages are reviewed by the Group's Financial Reporting and Cash Flow Management Department and by the independent auditor during the audit or review of the consolidated financial statements of the Capital Group.

The Capital Group's Companies use IT and organisational solutions securing access to the financial accounting system and providing adequate protection and archiving of the books. Access to the IT systems is limited by relevant authorisations for authorised employees. In 2015 the process of implementation of one integrated accounting system for all Groups' companies has started. The purpose of this process is to unify the recording of the economic events taking into account the specificity of the particular entities in the Group.

The financial statements and interim reports before publication are subject to verification by the Management Board and the Audit Committee of the Supervisory Board. According to the applicable laws, the financial statements are also subject to review or audit by an independent auditor. The results of the reviews and audits are presented by the auditor to the Management Board and the Audit Committee of the Supervisory Board. Certifies auditors are selected by the Supervisory Board of the Company from a group of reputable auditing companies, guaranteeing the proper standards of the services and their independence.

ENTITY AUTHORISED TO REVIEW THE FINANCIAL STATEMENTS OF THE COMPANY

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audit sp.k. (former PricewaterhouseCoopers sp. z o.o.) located in Warsaw (00-633 Warsaw, Polna 11) („PWC”) is an entity authorised to audit the financial statements of the Company for the year 2020.

On March 25, 2019, acting in accordance with applicable regulations and professional standards, after reviewing the recommendation of the Audit Committee of the Company's Supervisory Board, the Company's Supervisory Board adopted a resolution No. 2/03/2019 based on which PricewaterhouseCoopers Polska spółka z o.o. Audit Spółka komandytowa with its registered office in Warsaw (00-683 Warsaw, Polna 11 (being the legal successor of PricewaterhouseCoopers limited liability company) was selected as an auditor authorized to audit and review the Company's stand-alone and consolidated financial statements for the years 2019 - 2020.

In 2020 PWC performed a review of semi-annual standalone and consolidated financial statements. There were no other allowed non-audit services provided by PWC to the Group's Companies in 2020.

On December 18, 2020, acting in accordance with applicable regulations and professional standards, after reviewing the recommendation of the Audit Committee of the Company's Supervisory Board, the Company's Supervisory Board adopted a resolution based on which PWC was selected as an auditor authorized to audit and review the Company's stand-alone and consolidated financial statements for the years 2021 - 2023.

Moreover, on March 4, 2021 the Audit Committee of the Company agreed to choose PWC as an entity authorised to review the remuneration report for years 2019-2020 of the Company.

PricewaterhouseCoopers sp. z o.o. is entered on the list of entities authorised to audit financial statements under No. 144.

3. SHARE CAPITAL AND SHAREHOLDERS

STRUCTURE OF THE SHARE CAPITAL

As of 31 December 2020, the share capital of the Company consisted of 29,130,498 shares with a par value of PLN 0.05 each, entitling 40,420,207 votes at the General Meeting, including:

- 11,289,709 A series registered preference shares; preference of 11,289,709 A series shares relates to voting rights at the General Meeting in such way that one share gives two votes;
- 1,100,000 A series ordinary bearer shares;
- 12,221,811 B series ordinary bearer shares;
- 301,518 C series ordinary bearer shares;
- 706,574 D series ordinary bearer shares;
- 3,339,744 E series ordinary bearer shares;
- 171,142 F series ordinary bearer shares.

A (excluding 11,289,709 registered shares with preferential voting rights), B, C, D, E i F series shares are admitted to trading on the regulated market.

On January 31, 2020 the Company's share capital was increased from the amount of 1,450,591.30 PLN to 1,451,115.65 PLN, i.e. by amount of 524.35 PLN. The share capital increase took place in relation to admission to the deposit of the securities and of the National Depository of Securities ("KDPW") of 10,487 ordinary bearer shares of the Company with a nominal value of PLN 0.05 each, and their introduction to trading on the primary market by WSE, as a part of employee stock ownership plan.

On March 20, 2020 the Company's share capital was increased from the amount of 1,451,115.65 PLN to 1,452,846.15 PLN, i.e. by amount of 1,730.50 PLN. The share capital increase took place in relation to admission to the deposit of the securities and of the National Depository of Securities ("KDPW") of 34,610 ordinary bearer shares of the Company with a nominal value of PLN 0.05 each, and their introduction to trading on the primary market by WSE as a part of employee stock ownership plan.

On May 27, 2020 the Company's share capital was increased from the amount of 1,452,846.15 PLN to 1,454,218.50 PLN, i.e. by amount of 1372.35 PLN. The share capital increase took place in relation to admission to the deposit of the securities and of the National Depository of Securities ("KDPW") of 27,447 ordinary bearer shares of the Company with a nominal value of PLN 0.05 each, and their introduction to trading on the primary market by WSE as a part of employee stock ownership plan.

On August 17, 2020 the Company's share capital was increased from the amount of 1,454,218.50 PLN to 1,455,749.20 PLN, i.e. by amount of 1,530.70 PLN. The share capital increase took place in relation to admission to the deposit of the securities and of the National Depository of Securities ("KDPW") of 30,614 ordinary bearer shares of the Company with a nominal value of PLN 0.05 each, and their introduction to trading on the primary market by WSE as a part of employee stock ownership plan.

On November 31, 2020 the Company's share capital was increased from the amount of 1,455,749.20 PLN to 1,456,524.90 PLN, i.e. by amount of 775.70 PLN. The share capital increase took place in relation to admission to the deposit of the securities and of the National Depository of Securities ("KDPW") of 15,514 ordinary bearer shares of the Company with a nominal value of PLN 0.05 each, and their introduction to trading on the primary market by WSE as a part of employee stock ownership plan.

The Group has introduced an employee stock ownership plan providing selected key employees of the Company with stock options.

■ First stock option plan

The total number of shares assigned within the programme amounts to 1,230,576 and shall not exceed 5% of the share capital of the Company. The rights to shares are vested in time, quarterly, during a certain period of time generally no longer than 6 years provided that the employment relationship lasts. The plan was classified as an equity settled share-based incentive plan

For the purpose of the plan, the share capital of the Company was increased through an issue of 301,518 ordinary C series bearer shares that were taken up by selected managers of the Company. There was also a conditional increase in the share capital of the Company through an issue of no more than 929 058 ordinary series D shares and series B warrants.

■ Second stock option plan

Moreover, the Group has introduced a second stock option plan and for the purpose of such a scheme an additional conditional increase in the share capital was made through an issue of no more than 593,511 ordinary series F shares and series C warrants. On 15 February 2016, the Supervisory Board of the Company has adopted a resolution on the rules regarding the new option plan granting key managers an opportunity to acquire options for shares in the Company. The total number of shares in the plan amounts to 593,511 and will not exceed 5% of the share capital of the Company.

— SHAREHOLDERS WITH AT LEAST 5% OF THE TOTAL VOTING RIGHTS

In accordance with notifications received by the Company and to the best of its knowledge, as of 31 December 2020, the structure of shareholders who hold, directly or indirectly by their subsidiaries, at least 5% of the total voting rights at the General Shareholders' Meetings of the Company are as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through subsidiaries:	3 777 164	12,97%	7 540 401	18,66%
Orfe S.A.	3 763 237	12,92%	7 526 472	18,62%
Michał Brański through subsidiaries:	3 777 164	12,97%	7 540 400	18,66%
10X S.A.	3 763 236	12,92%	7 526 472	18,62%
Krzysztof Sierota through subsidiaries:	3 777 164	12,97%	7 540 400	18,66%
Albemuth Inwestycje S.A.	3 763 236	12,92%	7 526 472	18,62%
Founders together*	11 331 492	38,90%	22 621 201	55,97%
AVIVA OFE	2 731 000	9,38%	2 731 000	6,76%
Others	15 068 006	51,73%	15 068 006	37,28%
Total	29 130 498	100,00%	40 420 207	100,00%

*Founders (i.e. Jacek Świdorski, Michał Brański and Krzysztof Sierota) in connection with the shareholders agreement concluded on 19 March 2015 by the Founders and their subsidiaries (Orfe S.A., 10X S.A. and Albemuth Inwestycje S.A.) concerning joint voting at the general meeting of the Company and conducting a long-term policy towards the Company exercise voting rights jointly

And as of the date of publication of this report the structure of shareholders who hold, directly or indirectly by their subsidiaries, at least 5% of the total voting rights at the General Shareholders' Meetings of the Company are as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through subsidiaries: Orfe S.A.	3 777 164 3 763 237	12,94% 12,89%	7 540 401 7 526 474	18,63% 18,59%
Michał Brański through subsidiaries: 10X S.A.	3 777 164 3 763 236	12,94% 12,89%	7 540 400 7 526 472	18,63% 18,59%
Krzysztof Sierota through subsidiaries: Albemuth Inwestycje S.A.	3 777 164 3 763 236	12,94% 12,89%	7 540 400 7 526 472	18,63% 18,59%
Founders together	11 331 492	38,82%	22 621 201	55,88%
AVIVA OFE	2 731 000	9,36%	2 731 000	6,75%
Others	15 126 467	51,82%	15 126 467	37,37%
Total	29 188 959	100,00%	40 478 668	100,00%

OWNERS OF SECURITIES PROVIDING SPECIAL CONTROL RIGHTS

Shareholders do not have voting rights at the General Meeting of the Company other than arising from shares. None of the shareholders of Company have any personal rights associated with their shares.

Series A shares to the amount of 11.289.709 (in words: eleven million two hundreds eighty nine thousands seven hundred and nine) are preferred in such a way that each series A share entitles its holder to exercise two voting rights. The other shares are registered shares.

Preferred shares are owned by:

- Jacek Świdorski is indirectly (via Orfe S.A.) entitled to exercise voting rights attached to 3,763,237 series A registered shares in the Company having preferential rights as to voting, so that one share entitles two votes at the general meeting;
- Krzysztof Sierota is indirectly (via Albemuth Inwestycje S.A.) entitled to exercise voting rights attached to 3,763,236 series A registered shares in the Company having preferential rights as to voting, so that one share entitles two votes at the general meeting; and
- Michał Brański is indirectly (via 10X S.A.) entitled to exercise voting rights attached to 3,763,236 series A registered shares in the Company having preferential rights as to voting, so that one share entitles two votes at the general meeting.

The conversion of bearer shares into registered shares is not permitted.

The conversion of registered shares into bearer shares may be effected at the request of a shareholder. The Management Board, following the receipt of such a request, will immediately convert the shares in accordance with the request.

Each shareholder whose shares are not admitted for trading on such a market has the right to request the admission of those shares for trading on such a market. The shares will be admitted for trading on the regulated market on an alternative trading system immediately, however, not later than within six months from the date of receipt of a request by an authorised shareholder.

LIMITATION CONCERNING THE SHARES

The Company's Articles of Association provides that granting the right to vote to a pledgee or a user of shares requires the consent of the General Meeting.

All registered shares held by Orfe S.A., Albemuth Inwestycje S.A. and 10X S.A. were covered by an agreement on the establishment of a registered pledge and financial pledges on shares of December 12, 2017 between the aforementioned companies as pledgee and mBank S.A. with its registered office in Warsaw as the Pledgee and Administrator of the Pledge and Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw as the Pledgee (Pledge Agreement).

After the occurrence of the Case of Infringement as defined in the Pledge Agreements and delivery of the Notification on the Exercise of the Voice Right (as defined in the Pledge Agreement), mBank S.A. is authorized to exercise the voting right from pledged shares on the terms specified in the Pledge Agreements.

4. THE MANNER OF OPERATION AND ESSENTIAL AUTHORITIES OF THE GENERAL MEETING OF SHAREHOLDERS, DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THEIR EXECUTION

The General Meeting of the Company shall act on the basis of the provisions of the Polish Commercial Companies Code, of the Articles of Association and on the basis of the By-laws of the General Meeting of Company, adopted by the resolution no. 10 of the Extraordinary General Meeting of the Company on 23 June 2015. General Meetings may be held at the registered office of the Company in Warsaw.

The powers of the General Meeting, apart from the matters reserved under the Commercial Companies Code, include:

- appointment and dismissal of the President of the Management Board;
- appointment and dismissal of the members of the Supervisory Board;
- determination of the number of members of the Supervisory Board;
- approval of the by-laws of the Supervisory Board;
- determination of the remuneration of the members of the Supervisory Board;
- grant of consent for the Company to execute a facility agreement, a loan or surety or any similar agreement with a member of the Management Board, the Supervisory Board, registered proxy (prokurent), liquidator or in favour of any of those people.

The acquisition and sale of real property, perpetual usufruct or a share in real estate do not require a resolution of the General Meeting.

The right to participate in the General Meeting shall only be held by people being shareholders of the Company at sixteen days prior the date of the General Meeting.

At the request of the shareholder of a public company and a pledgee or usufructuary who has the right to vote, submitted not earlier than after the announcement of the convening of the general meeting and not later than on the first working day after the date of registration of participation in the general meeting, the entity maintaining the securities account issues a registered securities account. certificate of the right to participate in the general meeting.

From March 1, 2021, pledgees and users with voting rights have the right to participate in the general meeting of a public company, if the establishment of a limited property right for them is registered in the securities account on the day of registration of participation in the general meeting.

A shareholder may participate in the General Meeting and exercise the right to vote in person or through an attorney.

The power of attorney to take part in the General Meeting and to exercise the right to vote should be granted in writing or in electronic form. A shareholder is obliged to send the Management Board a notification of having issued a power of attorney using electronic means of communication. The above-mentioned notification should be sent to the following e-mail address walnezgromadzenia@grupawp.pl, no later than by 23:59 pm. the day prior to the General Meeting (failure to meet the time limit of the Company's notification shall not preclude taking part in the General Meeting on the basis of the power of attorney granted in writing).

Members of the Supervisory Board and the Management Board should participate in the General Meeting in sufficient numbers to allow for substantive answers to questions raised during the General Meeting.

The General Meeting may also be attended by the following people with the right to speak: experts invited by the entity convening the General Meeting, as well as candidates for members of the Management Board, candidates for members of the Supervisory Board and the notary taking the minutes of the General Meeting. The Chairperson of the General Meeting shall be selected among the people entitled to attend the General Meeting, whose candidacies have been submitted by the people entitled to attend the General Meeting and who agree to be a candidate. The election of the Chairperson of the General Meeting shall be made by secret ballot by casting consecutive votes on each of the candidates. The Chairperson is the person who receives the largest number of votes.

The Chairperson shall preside over the General Meeting in accordance with the agreed agenda, provisions of law, the Code of Best Practice for WSE Listed Companies, the Articles of Association and Regulations.

The Chairperson of the General Meeting immediately after the election shall draft and sign the attendance list containing the names of participants in the General Meeting, specifying the number of shares they represent and the number of votes to which they are entitled.

After signing the attendance list the Chairperson of the General Meeting shall put the agenda to vote

After calling each subsequent matter on the agenda, the Chairperson shall describe the matter and, in particular, shall present the draft of the resolution proposed for adoption by the General Meeting, then shall open the discussion, giving the floor in the order of the application of speakers. The Chairperson may order that a discussion be conducted on several items of the agenda.

The Chairperson of the General Meeting may give the floor to members of the Management Board, Supervisory Board and invited experts.

A shareholder has the right until the closure of the discussion on the agenda item to bring proposals for changes to the draft of the resolution proposed for adoption by the General Meeting. The proposal should be justified by the shareholder. Proposals must be submitted in writing to the Chairperson or orally for the minutes. The proposal must indicate the name and surname or company name of the shareholder, or in the case of a shareholder represented by a representative, the name and surname of the representative.

In formal matters the Chairperson of the General Meeting may give the floor out of turn. A formal motion may be submitted by any shareholder of the Company.

Adjournments in the General Meeting may not last longer than thirty (30) days.

A General Meeting shall be valid regardless of the number of shares represented thereat.

Resolutions of the General Meeting are adopted by a simple majority of votes, unless the applicable law or the terms of these articles of association provide for more stringent requirements for the adoption of a given resolution.

Upon completion of the agenda, the Chairperson of the General Meeting shall announce the closure of the proceedings.



AMENDMENTS OF THE ARTICLES OF ASSOCIATION

Amendments of the Articles of Association in accordance with the Commercial Code, requires a resolution of the General Meeting and entry into the court registry. The Management Board shall report the amendments to the Articles of Association to the court registry. The resolution of the General Meeting to amend the Articles of Association requires a three-quarters majority of the votes. The General Meeting may authorise the Supervisory Board to determine the uniform text of the amended Articles of Association or introduce other editorial changes as set out in the resolution of the General Meeting.

5. COMPOSITION AND OPERATION OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND ITS COMMITTEES



MANAGEMENT BOARD OF THE COMPANY

I GENERAL INFORMATION

The governing body of the Company is the Management Board. The Management Board operates in accordance with provisions of the Polish commercial code, Articles of Association of the Company, By-laws of the Management Board and resolutions adopted by General Meeting and Supervisory Board.

The Management Board manages the Company's operations and assets and represents the Company before courts, authorities and third parties. The Management Board takes decisions regarding all matters that are not reserved under the provisions of the Articles of Association or the provisions of law for the determination by the Supervisory Board or the General Meeting on an exclusive basis. All members of the Management Board are required and authorised to jointly conduct the Company's affairs.

Resolutions of the Management Board are adopted by an ordinary majority of votes. In the case of an equal number of votes "in favour" and "against", the President of the Management Board shall have the casting vote. The Management Board may adopt resolutions in writing or by means of remote communication. Members of the Management Board may

participate in the adoption of resolutions of the Management Board by voting in writing through another member of the Management Board. Voting in writing cannot pertain to any matters introduced to the agenda during a meeting of the Management Board.

In accordance with the Articles of Association, the President of the Management Board supervises the activities of the Management Board and determines the internal division of tasks and powers among particular members of the Management Board, specifically, the President of the Management Board may entrust the management of the specific departments to specific members of the Management Board. Furthermore, the President of the Management Board calls and chairs meetings of the Management Board. The President of the Management Board may authorise other members of the Management Board to convene and chair meetings of the Management Board. In the absence of the President of the Management Board or if the position of the President of the Management Board is vacant, the meetings of the Management Board are convened by the longest-standing of the Management Board. Additionally, special rights of the President of the Management Board in terms of managing the work of the Management Board may be determined in the By-laws of the Management Board.

If the Management Board consists of one member, the sole member of the Management Board is authorised to make representations on behalf of the Company. If the Management Board consists of more than one member, the Company is represented by the President of the Management Board alone or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a registered proxy.

I MANAGEMENT BOARD MEMBERS

The Management Board consists of four members. The mandates of the members of the Management Board expire no later than on the date of the General Meeting which approves the financial statements for the last full financial year of holding their positions as members of the Management Board, i.e. for the year 2018.

As of 31 December 2020 the composition of the Management Board was as follows:

Jacek Świdorski	- President of the Management Board
Krzysztof Sierota	- Member of the Management Board
Michał Brański	- Member of the Management Board
Elżbieta Bujniewicz - Belka	- Member of the Management Board responsible for finance

During the period covered in this Report, there were no changes to the composition of the Company's Management Board

Jacek Świdorski - President of the Management Board, CEO

Jacek Świdorski commenced his professional career by conducting business activity as a sole trader from 1997 to 1998 while still studying at university. In 1999, together with Michał Brański and Krzysztof Sierota, he established an Internet portal under the name go2.pl (later o2.pl), and in 2000, he incorporated MediaOne sp. z o.o. (later, o2.pl sp. z o.o.), and, subsequently, Grupa o2 sp. z o.o., which, in 2011, was transformed into a joint stock company, Grupa o2 S.A. (currently, Wirtualna Polska Holding S.A.). Since the creation of the portal, Jacek Świdorski has developed the business of the Company and its Subsidiaries on the Polish Internet market as, currently the President of the Management Board of the Company and of the following Subsidiaries: Wirtualna Polska Media S.A. Additionally, Jacek Świdorski is a member of the supervisory boards of the subsidiaries. Jacek Świdorski graduated the Warsaw School of Economics in 2002 with a magister degree in management.

Michał Brański - Member of the Management Board/ VP Strategy

From February 10, 2014 Member of the Management Board / VP Strategy.

In 1999, Michał Brański, together with Jacek Świdorski and Krzysztof Sierota, established an Internet portal under the name go2.pl (later o2.pl), and in 2000, he incorporated MediaOne sp. z o.o. (later, o2.pl sp. z o.o., and, subsequently, Grupa o2 sp. z o.o., which, in 2011, was transformed into a joint stock company, Grupa o2 S.A. (currently, Wirtualna Polska Holding S.A.). Since the creation of the portal, he has developed the business of the Company and its Subsidiaries on the Polish Internet market as, currently a member of the Management Board of the Company and member of the supervisory boards of the subsidiaries.

Michał Brański studied management and marketing at the Warsaw School of Economics.

Krzysztof Sierota - Member of the Management Board/ CTO

From February 10, 2014 Member of the Management Board / VP Engineering.

In 1999, Krzysztof Sierota, together with Jacek Świdorski and Michał Brański, established an Internet portal under the name go2.pl (later o2.pl), and in 2000, he incorporated MediaOne sp. z o.o. (later, o2.pl sp. z o.o., and subsequently, Grupa o2 sp. z o.o., which, in 2011, was transformed into a joint stock company, Grupa o2 S.A. (currently, Wirtualna Polska Holding S.A.). Since the creation of the portal, Krzysztof Sierota has developed the business of the Company and its Subsidiaries on the Polish Internet market as, currently a member of the Management Board of the Company and member of the supervisory boards of the subsidiaries.

Krzysztof Sierota studied quantitative methods in economics and information systems as well as finance and banking at the Warsaw School of Economics.

Elżbieta Bujniewicz-Belka - Member of the Management Board/ CFO

From February 11, 2014 Member of the Management Board, CFO

Elżbieta Bujniewicz-Belka commenced her professional career in 1993 as an analyst at Enterprise Investors – Polish-American Enterprise Fund. Starting in 1995 she was an accounting supervisor at Young&Rubicam, and in of 1996 she continued her professional career as financial controller and director of the analyses and investments department at ComputerLand S.A. (currently Sygnity S.A.). Subsequently, in 1999, she was appointed as the vice president (chief financial officer) and member of the management board of the company and continued in that position until 2007. In 2010, Elżbieta Bujniewicz-Belka was appointed as a member of the management board of DRUMET Liny i Druty sp. z o.o. From 2012 to 2013, Elżbieta Bujniewicz-Belka cooperated with the Iglotex group as a member of the management board of Iglotex S.A. and as a member of the management board of Iglotex Dystrybucja sp. z o.o. Since February 2014, she has been connected with the Group – she is a member of the Management Board of the Company and member of the supervisory boards of the subsidiaries.

Elżbieta Bujniewicz-Belka graduated the Warsaw School of Economics in 1993 with a master degree in economics.

I POWERS OF THE MANAGEMENT BOARD

The Management Board manages the Company's operations and assets and represents the Company before courts, authorities and third parties.

In particular, the powers of the Management Board include:

- I acting on behalf of the Company and represent it to third parties,
- I preparation of periodic information of the Company (including individual and consolidated financial statements of the Company) and the report on the activities of the Company in an appropriate terms to be published in accordance with relevant laws,
- I subjecting the financial statements for examination or review by an auditor.
- I submitting to the assessment of the Supervisory Board the documents referred to in point b) together with the opinion and report of the auditor (if required by law)
- I timely convening General Meetings, submitting proposals to the General Assembly and preparing draft resolutions of this body,
- I submitting to the General Meeting for consideration and approval Company's activities statements and financial statements for the last financial year, together with the opinion and report of the auditor,
- I developing and adopting the Company's by-laws, unless they are reserved for the competence of another body of the Company,
- I drawing up the draft budget and investment plans of the Company presented to the Supervisory Board for approval,
- I other matters not reserved for other bodies of the Company.

If the provisions of the Statute or the law so require, prior to a specific activity Management Board is obliged to obtain the consent appropriate the Supervisory Board or the General Meeting.

The Management Board shall provide the transparent and effective information policy using both traditional methods and using modern technologies ensuring fast, secure and broad access to information. The Management Board, using the fullest extent of these methods of communication, ensure adequate communication with investors and analysts.

The Management Board shall determine the place and date of the General Meeting so as to enable the participation of the largest number of shareholders.

The Management Board shall endeavour that to cancellation of the General Meeting or change of its date should not prevent or restrict a shareholder of the Company exercising the right to participate in the General Meeting.

I COMPOSITION AND ELECTION OF THE MANAGEMENT BOARD

The Management Board consists of one to five members, including the President of the Management Board, and, in the case of the Management Board consisting of more than one person, the President of the Management Board and the other members of the Management Board elected for a joint term of office. The number of the members of the Management Board is determined by the Supervisory Board in accordance with a motion of the President of the Management Board.

The President of the Management Board is appointed and dismissed by the General Meeting. The other members of the Management Board are appointed and dismissed by the Supervisory Board in accordance with a motion of the President of the Management Board.

A Member of the Management Board may also be dismissed or suspended from his duties by way of a resolution of the General Meeting.

SUPERVISORY BOARD

I GENERAL INFORMATION

The Supervisory Board exercises regular supervision over the Company's operations in all areas of its activity.

The Supervisory Board operates in accordance with provisions of the Polish Commercial Code, Articles of Association of the Company and By-laws of the Supervisory Board adopted in resolution of the General Meeting of the Company on the 25 August 2018.

In order for the Supervisory Board's resolutions to be valid, all of the members must be invited to a meeting of the Supervisory Board and at least one half of the members of the Supervisory Board must be present at such a meeting.

Unless the Articles of Association provide otherwise, resolutions of the Supervisory Board are adopted by a simple majority of votes. In case of an equal number of votes "in favour" and "against", the Chairman of the Supervisory Board shall have the casting vote.

Members of the Supervisory Board may participate in the adoption of the resolutions of the Supervisory Board by casting their vote in writing through the intermediation of another member of the Supervisory Board. Votes in writing may not be cast with respect to any matters introduced to the agenda during a meeting of the Supervisory Board.

The Supervisory Board may adopt the resolutions in writing or by means of remote communication. The adoption of resolutions in accordance with the above-mentioned procedure (casting a vote in writing through the intermediation of another member of the Supervisory Board, in writing or using means of direct remote communication) does not apply to the election of the Chairman or the Deputy Chairman of the Supervisory Board, the appointment of a member of the Management Board or dismissing or suspending such people from their duties.

Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board when needed but not less often than once in every quarter of a given year.

The Chairman of the Supervisory Board manages the activities of the Supervisory Board and represents it before the Management Board and other people. In his actions the Chairman of the Supervisory Board may not contradict the resolutions adopted by the Supervisory Board with the majority required for a certain matter.

The Supervisory Board may delegate its members to independently perform specific supervisory duties including participating in Management Board meetings or duties if necessary.

I MEMBERS OF THE SUPERVISORY BOARD

Currently the Supervisory Board consists of six members.

The mandates of the members of the Supervisory Board expire on the date of holding the General Meeting approving the financial statements for the last full fiscal year in which the members of the Supervisory Board fulfilled their duties.

As of 31 December 2020 the composition of the Supervisory Board was as follows:

Jarosław Mikos	- Chairman of the Supervisory Board
Beata Barwińska-Piotrowska	- Member of the Supervisory Board
Mariusz Jarzębowski	- Member of the Supervisory Board
Piotr Walter	- Member of the Supervisory Board
Aleksander Wilewski	- Member of the Supervisory Board
Witold Woźniak	- Member of the Supervisory Board

In 2020, there were following changes to the composition of the Supervisory Board:

- on July 7, 2020 Mr Krzysztof Krawczyk resigned from his post as the Vice Chairman and Member of the Supervisory Board.
- on August, 21, 2020 Mr Witold Woźniak was elected as a Member of the Supervisory Board by the General Meeting of the Company.

Jarosław Mikos - Chairman of Supervisory Board

Since 1 April 2015 Chairman of the Supervisory Board.

In the 90s, Jarosław Mikos cooperated with Deloitte and PricewaterhouseCoopers in the management consulting and M&A departments. From 2000, he was the CFO of Energis Polska, and from 2002, the president of the company's management board. He carried out the merger of Energis with GTS Polska, and consequently became the president of the merged companies. In 2006–2010 he ran his own business. Then, in 2011–2013, he was the president of the Magna Polonia S.A. fund, where he successfully conducted the process of business restructuring. Since 2014, he has been associated with the WP Group, first as Executive Chairman and until today as Chairman of the Supervisory Board. From December 2017 until today, he is the president of Polskie e-Płatności S.A. (PeP). He moved the Company from position 7 on the market to position 3, with strong organic growth and 7 M&A transactions. In 2020, he led to the sale of PeP to the Nets Group - the European leader in the payment market. The value of the transaction was EUR 405m.

Jarosław Mikos graduated from the Faculty of Law and Administration at the University of Warsaw in 1994 as a Master of Law.

Beata Barwińska-Piotrowska – Member of the Supervisory Board

Since February 10, 2014 Member of the Supervisory Board.

Beata Barwińska-Piotrowska commenced her professional career in 1997 at the law office of Kancelaria Żebrowski i Wspólnicy, where she worked until 1998. From 1998 to 2001 she was an attorney at the law office of Kancelaria Adwokacka Wardynscy i Wspólnicy, and from 2001 to 2004 at the law office of Linklaters. Subsequently, until 2005, Beata Barwińska-Piotrowska ran her own law firm, Indywidualna Kancelaria Adwokacka Beaty Barwińskiej. In 2005, she commenced cooperation as a senior attorney with the law firm of Weil, Gotshal & Manges. Since 2010 she was an Of Counsel at the Warsaw office of the law firm of CMS Cameron McKenna. Since November 2017 r. she was a Partner at Jedwabny & Brzozowska law firm. Currently she is a Managing Partner in Brzozowska & Barwińska law firm.

Beata Barwińska-Piotrowska graduated the University of Łódź with a Master of Law degree. Additionally, in the same year, she completed the School of American Law organised by the Jagiellonian University in cooperation with the Catholic University of America. In 2004, she was registered on the list of advocates of the District Advocates Council in Łódź.

Mariusz Jarzębowski – Member of the Supervisory Board

Since 23 June 2015 Member of the Supervisory Board

Trusted advisor who has worked in the high-tech industry in Silicon Valley and Europe. Worked at NeXT and Apple run by Steve Jobs. Worked at a venture capital firm (Grupa Pracuj and Benefit Systems). Helps founders build companies and helps companies start new ventures. Founder and owner of a venture assistance firm in Warsaw. Holds MBA and MS

degrees from the Warsaw University of Technology Business School in partnership with London Business School. For more, visit mariuszjarzebowski.com.

Piotr Walter – Member of the Supervisory Board

Piotr Walter graduated from the Columbia College in Chicago and the International Institute for Management Development (PED) in Lausanne. He studied journalism at the Warsaw University and directing at the Lodz Film School. He started his professional career as a producer of television commercials in ITI Film Studio. In TVN S.A., he worked as program promotion director and TVN S.A. management board member.

Then, as director general and president of the management board of TVN S.A., he developed the nationwide TV channel and a portfolio of 13 thematic channels, creating the strongest television brand in Poland. As the vice-president of the TVN Group management board, he implemented the Group's Internet and Over-The-Top (TVN Player) strategy. In 2013-2015, he discharged the function of vice-president of the ITI Group, Supervisory Board Member and Chairman of the Strategy and Content Committee of TVN S.A. He was involved as a co-producer engaged in the production of feature film *Planeta Singli*, *(Nie)znajomi*, *Boże Ciało*. He is a co-owner of 4C Solutions company operating in the field of production and distribution of video content and services related to the development of content marketing strategies.

Aleksander Wilewski – Member of the Supervisory Board

Aleksander Wilewski is a Swedish/Polish entrepreneur who has launched a wide range of pioneering companies, including Explorica, Clickad, Guldbrev, Streetcom and Total Fitness. Aleksander has broad and significant experience across a diverse range of businesses, driving them to be operationally efficient and financially successful. At the forefront of digital marketing, he founded Clickad, later sold it to the private equity firm 3TS, and then served on the board of directors. During his time as Head of Marketing and Operations for Explorica in the US and prior to serving on its board, his strategic and operational initiatives generated a business turnover of \$80 million. Most recently, Aleksander co-founded Guldbrev in Sweden, a fast growing e-commerce company. Aleksander studied in Stockholm School of Economics with a major in accounting and finance. He is fluent in Swedish, Polish and English. Currently, Aleksander Wilewski is a board member for Guldbrev, Total Fitness and Egain Systems.

Witold Woźniak - Member of the Supervisory Board

Witold Woźniak was Member of the Management Board of Bauer Media, a German multimedia conglomerate, in the years 2015-2018. In that capacity he was in charge of the following global segments: radio, financial comparison websites and internet portals, whereas in the region of Eastern Europe: of press publications and printing houses. Before that time, he headed the Polish branch of Bauer Media, where he co-created Bauer Publishing House as well as rotogravure printing facilities. Moreover, he directly oversaw acquisitions and further business development of the organization, including the RMF Radio Group, horizontal portal interia.pl, financial comparison site Rankomat and E-Broker, agency network of SEM/SEO Sunrise System as well as many other digital undertakings. In October 2019, he was appointed as a strategic advisor to Wirtualna Polska. He cooperated with Management Boards of companies belonging to Wirtualna Polska Holding in the area of e-commerce and media market analyses, streamlining of business processes as well as consulting on the creation of new product tools. Since August 2020, he has joined the Supervisory Board of Wirtualna Polska Holding.

MEMBERS OF THE SUPERVISORY BOARD WHO SATISFY THE INDEPENDENCE CRITERIA

According to Articles of Association at least two members of the Supervisory Board need to satisfy the criteria of independence from the Company and the entities materially related with the Company. The independence criteria need to comply with Annex II to the Commission Recommendation. Irrespective of Annex II to the Commission Recommendation, a person who is an employee of the Company, a subsidiary, or an associated company cannot be considered as a person who satisfies the independence criteria as specified in Annex II to the Commission Recommendation. Additionally, a relation of the shareholder that precludes the independence of a member of the Supervisory Board is any actual and important relationship with a shareholder who is entitled to exercise at least 5% of all of the votes at the General Meeting.

If the Management Board receives a written statement from a member of the Supervisory Board who has met the independence criteria so far stating that he has ceased to meet these criteria or obtains such information from another source, the Management Board will, within 2 weeks of receiving such a statement or taking such a message, convene the General Meeting in order to appointment of a member of the Supervisory Board who meets the above criteria.

It is assumed that the failure to satisfy the independence criteria by a member of the Supervisory Board and the failure to appoint an independent member of the Supervisory Board does not result in the invalidity of the resolutions adopted by the Supervisory Board. If an independent member of the Supervisory Board becomes dependent while performing the duties of a member of the Supervisory Board, it shall not impact the validity or expiry of his mandate.

Currently, there are three members of the Supervisory Board who satisfy the independence criteria, i.e.:

- Mr Mariusz Jarzębowski – Member of the Supervisory Board,
- Mr Piotr Walter – Member of the Supervisory Board,
- Mr Aleksander Wilewski – Member of the Supervisory Board

POWERS OF THE SUPERVISORY BOARD

Pursuant to §20, section 3 of the Articles of Association, the powers of the Supervisory Board, aside from the matters stated in the Commercial Companies Code, include:

- the selection or change of the entity authorised to audit financial statements of the Company and conduct audits of the Company;
- the appointment and dismissal of members of the Management Board in accordance with the request of the President of the Management Board;
- the determination of the number of members of the Management Board in accordance with the request of the President of the Management Board;
- the adoption of the by-laws of the Supervisory Board and the by-laws of the Management Board;
- the granting of consent to the Company to conclude any material transaction with a Related Party, excluding any standard transactions concluded on an arm's length basis within the scope of any operational dealings of the Company with a Related Party in which the Company holds a majority shareholding;
- reviewing and opining on any and all matters that are to be the subject of resolutions of the General Meeting; 6) opining on long-term development plans of the Company and the annual financial plans of the Company;
- the granting of consent to:
 - (a) conclusion by the Company or any of its subsidiaries of an agreement resulting in consolidated financial debt in excess of 3.5 times EBITDA, with the proviso that the value of such an agreement exceeds PLN 50,000,000 (fifty million);
 - (b) both with respect to the Company and its subsidiary, the execution of contracts of employment, mandate agreements, service agreements (or any other agreements of a similar nature) where the amount of annual remuneration exceeds PLN 1,200,000 (one million, two hundred thousand) (including the maximum payable bonus under any such agreements);
- determining the remuneration of the President of the Management Board and other members of the Company's Management Board;

STRUCTURE AND METHOD OF ELECTION OF THE SUPERVISORY BOARD

The Supervisory Board consists of five to nine members appointed and dismissed by the General Meeting.

The number of members of the Supervisory Board is determined by the General Meeting. In the case of the election of the Supervisory Board by way of separate group voting in compliance with Article 385 of the Commercial Companies Code, the number of Supervisory Board members will be nine (9).

The Supervisory Board which, in consequence of the expiry of the mandates of certain members of the Supervisory Board (for reasons other than dismissal), consists of fewer members than required under the Articles of Association, but not fewer than five, may adopt binding resolutions.

If, as a consequence of the expiry of the mandates of certain members of the Supervisory Board (for any reason other than dismissal) the number of members of the Supervisory Board of a given term of office is lower than the statutory minimum number, the other members of the Supervisory Board may appoint a new member of the Supervisory Board by way of co-option and such member will perform his duties until his successor is appointed by the next General Meeting, unless the General Meeting approves the member of the Supervisory Board appointed by way of co-option.

In the case of the expiry of a mandate of an independent member of the audit committee as referred to in §22, the member of the Supervisory Board appointed by way of co-option should satisfy the independence criteria referred to in Article 86 section 5 of the Auditors' Act and should have qualifications in accounting and auditing.

The Supervisory Board that appointed a member of the Supervisory Board by way of co-option will immediately convene a General Meeting to procure the approval of the member of the Supervisory Board appointed by way of co-option or the appointment of his successor.

Members of the Supervisory Board may appoint new members by way of co-option if the number of Supervisory Board members is at least two (2).

Members of the Supervisory Board shall effect the appointment of a new member by way of co-option on the basis of a written statement of all the members of the Supervisory Board on the appointment of a member of the Supervisory Board.

I THE SUPERVISORY BOARD'S COMMITTEES

The Supervisory Board may appoint permanent committees or ad hoc committees acting as collective advisory bodies to the Supervisory Board.

A Committee shall be established by the Supervisory Board from among its members by means of a resolution.

A committee shall consist of 3 to 5 members.

The detailed tasks and rules of the appointment and operation of the committees shall be set out in the by-laws of the committee adopted by the Supervisory Board.

The Supervisory Board may in particular appoint a permanent the Audit Committee or the Nomination and Remuneration Committee.

I THE AUDIT COMMITTEE

In accordance with § 22 of the Articles of Association, the Supervisory Board appointed an Audit Committee consisting of at least three members, including at least two members (including the Chairman of the Committee) who meet the independence criteria, at least one member who has knowledge and skills of accounting or auditing financial statements and at least one member who has knowledge and skills of the Companies' branch of business, therefore the composition of the Audit Committee meets the criteria stated in the provisions of the Auditors Act.

The tasks of the Audit Committee are specified in the relevant provisions of law and internal regulations of the Company and include, in particular: 1) monitoring: a) the financial reporting process, b) effectiveness of the internal control system, as well as risk management and internal audit systems, also with regard to financial reporting, c) performance of financial auditing activities, in particular auditing by the audit firm, taking into consideration any applications and determinations of the Audit Oversight Commission resulting from the control carried out in the audit firm; 2) control and monitoring of independence of the statutory auditor and the audit firm, especially, if the audit firm provides to the public interest entity services other than auditing; 3) informing the supervisory board or other supervisory body of the public interest entity about audit results and explanation of how this audit contributed to reliability of financial reporting in the public interest entity, as well as what was the role of the audit committee in the audit process; 4) assessment of independence of the statutory auditor and expressing consent to for his/her provision of acceptable services other than audits in the public interest entities; 5) preparation of the policy of selecting the audit firm to conduct the audit; 6) preparation of the policy of providing acceptable services other than auditing by the audit firm conducting the audit, its affiliates and by a member of the audit firm's network; 7) determination of procedures of selecting the audit firm by the public interest entity; 8) presentation of the recommendations referred to in Article 16, passage 2 of the Regulation No 537/2014 to the supervisory board or to any other supervisory body, or the body referred to in Article 66, passage 4 of the Act of 29 September 1994 on Accounting, in accordance with the policies referred to in item 5 and 6; 9) submission of recommendations aimed at ensuring reliability of the financial reporting process in the public interest entities.

The Supervisory Board may also appoint other committees, in particular the nomination and remuneration committee. Specific tasks and manners of appointing and functioning of the committees are stated in the Supervisory Board By-laws.

The Audit Committee shall hold a meeting, as needed, at least four times a year.

The Audit Committee is chaired by a Chairman.

The Audit Committee's meetings shall be convened by its Chairman on his own initiative or at the request of a member of the Audit Committee, and also at the request of the Management Board, internal or external auditor.

The chairman of the Audit Committee invites all members of the committee and notifies all other Members of the Supervisory Board. All Members of the Supervisory Board may participate in the meetings of the committees.

The chairman of the Audit Committee may invite to the meetings Members of the Management Board, employees of the Company and other people who may be useful in performance of the committees' duties.

As at December 31, 2020, the following members of the Supervisory Board were members of the Audit Committee:

- Aleksander Wilewski - Chairman of the Audit Committee, Member of the Supervisory Board meeting the independence criteria
- Jarosław Mikos - Member of the Audit Committee
- Mariusz Jarzębowski - Member of the Audit Committee, Member of the Supervisory Board meeting the independence criteria

Mr. Aleksander Wilewski is a member of the Audit Committee with knowledge and skills in accounting. Mr Aleksander Wilewski studied in Stockholm School of Economics with a major in accounting and finance.

All members of the Audit Committee have knowledge and skills in the Company's branch of business in view of their many years of experience in cooperating with entities operating on the media and internet market, including::

- Jarosław Mikos. from 2001 to 2005 was the CFO and from 2002 the president of the management board at Energis Polska sp. o.o. Then, in the years 2006-2008 and 2009-2010 he was the chairman of the board in Stolarka Wołomin S.A. In addition, in the years 2007-2011 he was the chairman of the board at Stolarka S.A., Seegerdach sp. O.o. and Remix sp. o.o., and in the years 2011-2013, he was a member of the supervisory board in Mediatel S.A., Info TV FM sp. o.o. and Info TV Operator sp. o.o. In the meantime, he was also the President of the Management Board of Magna Polonia S.A. Since 2014, Jarosław Mikos has been associated with the WP Group, where he is the Chairman of the Supervisory Board. From December 2017, he is the president of Polskie e-Płatności S.A.
- Aleksander Wilewski has launched a wide range of pioneering companies, including Explorica, Clickad, Guldbrev, Streetcom and Total Fitness.
- Mariusz Jarzębowski worked in the new technologies industry in the United States, Austria and Germany. Before returning to Europe, Mariusz Jarzębowski worked in the Silicon Valley in NeXT and Apple, headed by Steve Jobs. Mariusz Jarzębowski also worked in an investment fund, where he continued work on the development of new ventures and served on their Supervisory and Advisory Boards. At Microsoft, as a specialist in competition strategies and new markets, Mariusz Jarzębowski helped companies create new sources of growth and learn from start-ups.

In 2020 four meetings of the Audit Committee were held.

In 2020, the auditor of the Company, i.e. PricewaterhouseCoopers provided the Group's Companies with allowed non-audit services.

The Audit Committee of the Supervisory Board prepared and adopted:

- *Policy and procedures for selecting an audit firm to audit the statutory financial statements of Wirtualna Polska Holding S.A. ("Company") and the Wirtualna Polska Holding Capital Group ("Capital Group") adopted by the Resolution of the Audit Committee of the Supervisory Board of Wirtualna Polska Holding S.A.,*
- *Policy of Wirtualna Polska Holding S.A. ("Company") and the Wirtualna Polska Holding Capital Group ("Capital Group") in the scope of providing additional services by the auditing firm, an affiliated entity the auditing firm or a member of its network adopted by Resolution of the Supervisory Committee of Wirtualna Polska Holding S.A.*

The main assumptions of the Policy for selecting an audit firm to audit the statutory financial statements

- Inquiry for the selection of an audit firm for statutory audit of the Company's financial statements and statutory audit of the consolidated financial statements of the Group is prepared by the Member of the Management Board /Chief Financial Officer by the end of March of the year subject to examination and consulted with the Audit Committee and then sent to selected entities providing services audit. The inquiry contains documentation enabling to learn about the Company's and the Company's Capital Group's operations as well as selection criteria defined in a transparent and non-discriminatory manner.
- The collected offers of audit firms together with the report containing the conclusions of the selection procedure are submitted to the Audit Committee and the Supervisory Board of the Company. The report is approved by the Audit Committee.
- The members of the Audit Committee of the Company analyse the submitted offers of audit firms, set the dates of meetings with representatives of those audit firms that submitted offers and on the basis of these activities make a recommendation to choose an audit firm. Unless it concerns the renewal of a audit order, the recommendation includes justification and at least two possibilities of an audit firm, with the Audit

Committee expressing preference for one of them. The Audit Committee states in the recommendation that it is free from the influence of a third party and no clause limiting the selection of an audit firm has been imposed on it.

- Members of Audit Committee when selecting an audit firm operating in an international network should be guided by its impartiality, independence, the highest quality of auditing work, knowledge of the business branch in which the Company and its subsidiaries operate.
- The selection of an audit firm takes place pursuant to a resolution of the Company's Supervisory Board, after considering the recommendations of the Audit Committee.
- The contract with the entity providing auditing services may be concluded for a minimum period of 2 years. The inquiry is not prepared in the case when the Company has a valid contract for the provision of audit services in a given year.
- Maximum periods of cooperation with the entity authorized to conduct the audit and mandatory rotation of the key certified auditor:
 - the maximum period of uninterrupted duration of statutory audits referred to in art. 17 sec. the second paragraph of Article 1 (2) of Regulation No 537/2014, carried out by the same audit firm or an audit firm related to that audit firm or any member of the network operating in the European Union countries to which these audit firms belong, may not exceed five years;
 - a key certified auditor may not conduct a statutory audit in the same public interest entity for a period longer than 10 years;
 - a key certified auditor may re-conduct the statutory audit in the entity referred to in par. 2, after at least 3 years from the end of the last statutory audit.

The main assumptions of the policy in the scope of providing additional services by the auditing firm, an affiliated entity the auditing firm or a member of its network

- A statutory auditor or an audit firm that performs statutory audits of the Company or an entity related to the auditing firm or any member of the network to which the statutory auditor or audit firm belongs does not directly or indirectly provide to the Company or related entities any prohibited services that are not auditing financial statements or activities financial audit.
- Prohibited services are not services indicated in art. 136 sec. 2 of the Act of May 11, 2017 on statutory auditors, audit firms and public supervision.
- The provision of the services referred to in point 2 is possible only to the extent not related to the Company's tax policy, after the Audit Committee has performed an assessment of risk and safeguards for independence and consent by the Audit Committee.
- In the event that the competent authorities have permitted, by way of derogation, the audit firm to provide some of the services prohibited under Article 5 par. 3 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014. on detailed requirements regarding statutory audits of financial statements of public-interest entities repealing Commission Decision 2005/909 / EC, the Audit Committee shall issue guidelines on these services.
- A statutory auditor or an audit firm that conducts statutory audits of Companies and - if the statutory auditor or audit firm is part of the network - each member of such network may provide services to the Company or its subsidiaries services that are not audit of financial statements other than prohibited services that are not audit of financial statements, however, each such services should be verified by the Audit Committee in terms of risk assessment and safeguards of independence.
- The remuneration for allowed services that are not audit is subject to the restrictions set out in the Act on Certified Auditors and in the Regulation.

6. DESCRIPTION OF THE DIVERSITY POLICY APPLIED TO ADMINISTRATION, MANAGEMENT AND SUPERVISION

The Group exercises a policy whereby the Company employs competent and creative individuals with the relevant professional experience and education; sex and age is of no importance as regards employing any specific person in the Company. In accordance with the Articles of Association, the President of the Management Board is appointed by the General Meeting; the other members of the Management Board are appointed by the Supervisory Board at the request of the President of the Management Board and to the extent provided therein, while the Supervisory Board is appointed by the General Meeting. Under the Articles of Association it is possible to add a new member to the Supervisory Board by means of co-option by the other members of the Supervisory Board if the number of the mandates of certain members of the Supervisory Board appointed by the General Meeting falls below the minimum number of members of the Supervisory Board as provided for in the Articles of Association. Consequently, the composition of the Management Board will depend on the General Meeting (with respect to the President of the Management Board) and the President of the Management Board and the Supervisory Board (with respect to the other members of the Management Board), while the composition of the Supervisory Board will principally depend on the Company's shareholders who will act by voting at the General Meeting.

Jacek Świdorski

President of the Management Board

Elżbieta Bujniewicz-Belka

Member of the Management Board,
CFO

Michał Brański

Member of the Management Board

Krzysztof Sierota

Member of the Management Board