

WARIMPEX

Corporate Governance Report

In accordance with the recommendation in the AFRAC opinion on corporate governance reports, the corporate governance report of the parent company and the consolidated corporate governance report are being merged into a single report.

Commitment to the Code of Corporate Governance

Warimpex is committed to compliance with the Austrian Code of Corporate Governance (ACCG) as well as the Polish Best Practice for GPW Listed Companies 2021. The Management Board declares that it complies with both sets of guidelines to the best of its ability and published its corporate governance report at www.warimpex.com (Company/ESG). Deviations from individual corporate governance rules relate to the Company's structure and/or to Polish rules that are not complied with due to the Company's primary orientation towards the relevant Austrian regulations.

Austrian Code of Corporate Governance, as amended in January 2023

The Austrian Code of Corporate Governance (as amended in January 2023 and which was applied for financial year 2023, www.corporate-governance.at) contains rules that must be followed (L-Rules), rules that are not mandatory for the Company but for which justification must be provided in the event of non-compliance (C-Rules), and rules that are entirely optional for the Company. Failure to comply with them requires no justification (R-Rules). Overall, the Company's statutes and the internal terms of reference for the Management Board and the Supervisory Board comply with the L-Rules in full, and with all of the C-Rules except as explained below:

- The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes, which would be required by Rule 18. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of Rule 18 is not planned for the foreseeable future for cost reasons.
- The remuneration of the Management Board is made up of fixed and variable components. The amount of the variable remuneration is not linked to any non-financial criteria as defined in Rule 27. This is intended to ensure objectivity and transparency. For further disclosures and information regarding the remuneration paid to the individual Supervisory Board members and the individual members of the Management Board, please consult sections 9.3.2.3. and 9.3.2.4. in the notes to the consolidated financial statements. Additional information is available in the report on the remuneration policy and the annual remuneration report on Warimpex's website.
- According to Rule 62, an external evaluation of compliance with the C-Rules must take place regularly, in any case at least every three years. The results of this evaluation must be presented in the corporate governance report. An internal evaluation is completed on the basis of the External Evaluation of Compliance with the Austrian Code of Corporate Governance questionnaire, which is also used for external evaluations. No external evaluation is conducted for cost reasons.
- The financial auditor does not assess the effectiveness of the Company's risk management system in a separate report as defined in Rule 83. Such an external evaluation is not conducted for cost reasons, as in the course of auditing the financial statements, financial auditors also gain an understanding of the internal controls that are relevant for the audit.

Poland – Best Practice for GPW Listed Companies 2021

The Company has decided to comply with these Polish rules, with the following exceptions. The majority of the exceptions relate to Austrian law, to which the Company is subject.

- Rules 1.4.1–1.5: The Company voluntarily prepares a detailed consolidated non-financial report (sustainability report as part of the management report). This report includes a sustainability strategy. An equal pay index for employees is not published due to the significant differences in the employees' areas of responsibility and places of employment. The Company's sponsorship activities are not reported separately for each charity organisation due to the very low extent to which the Company engages in such activities.
- Rules 2.1–2.2: The Company does not have a binding diversity concept. Further information can be found in this report under the heading "Diversity concept – measures for promoting women".
- Rule 2.11.: Austrian law does not require an assessment by the Supervisory Board of the internal control, risk management, and compliance systems and other such systems. Austrian law requires that a Supervisory Board report be submitted to the Annual General Meeting; the contents of this report do not fully satisfy the Polish regulations.
- Rules 3.1 and 3.4–3.8: The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of this is not planned for the foreseeable future for cost reasons.
- Rules 4.1, 4.3, and 4.5.: Webcasts of the Company's Annual General Meeting are not offered due to the high costs involved. The Company allows votes to be cast by authorised proxy, and this option is exercised by numerous Polish institutional investors. Annual General Meetings are conducted according to Austrian law.
- Rule 6.4: The Company's remuneration policy, which was prepared in accordance with Austrian stock corporation regulations and put to a vote by the Annual General Meeting, provides for meeting attendance fees for each meeting of the Supervisory Board or a committee. Annual fixed remuneration can also be established by way of a resolution of the Annual General Meeting.