Gender balance on the governing bodies of ERBUD S.A. – information on applicable legislation and sanctions

The Company is subject to the provisions of Chapter 4aa of the Act of 29 July 2005 on Public Offerings and the Conditions for Introducing Financial Instruments to an Organised Trading System and on Public Companies (the "**Act**").

Obligation to ensure gender balance

Pursuant to Article 90gc of the Act, the Company is obliged to ensure gender balance on its governing bodies. This obligation is fulfilled if:

1. the total number of positions on the company's governing bodies held by persons belonging to the under-represented gender is not less than the figure closest to 33 per cent of the total number of positions on the company's governing bodies, and
2. persons belonging to the under-represented gender hold positions in each of the company's governing bodies.

The under-represented gender is the gender whose representatives hold no more than 49 per cent of the total number of positions on the company's governing bodies (Article 90gb(4) of the Act).

Rules for selecting candidates where gender balance has not been achieved on the Company's governing bodies (Article 90ge of the Act)

- At every stage of the selection process, neutrally worded, clear and unambiguous selection criteria are applied in a non-discriminatory manner, taking into account the candidates' qualifications and the need to ensure gender balance. The criteria are defined before the process begins.
- Candidates are selected on the basis of a comparative assessment of their respective qualifications.
- When choosing between candidates with equivalent qualifications, priority is given to the candidate belonging to the under-represented gender. An exception maybe made where other relevant diversity principles set out in legislation, based on objective, non-discriminatory criteria and taking into account the candidate's specific circumstances, justify the selection of a candidate of the opposite sex.
- At the candidate's request, the Company informs them of the selection criteria, the comparative assessment and the reasons underlying that assessment, and, in the event of a decision not to select a candidate belonging to the under-represented gender, of the reasons for that decision and the qualifications of the selected candidate.

Gender balance policy and reporting

- The General Meeting adopts a policy on gender balance on the Company's governing bodies (Article 90gd of the Act).
- The Company's Management Board prepares an annual report on the representation of each gender on the Company's governing bodies and the measures taken to ensure gender balance within those bodies. The report is made available on the Company's website and submitted to the government body entrusted with carrying out tasks relating to the implementation of the principle of equal treatment (Article 90gi of the Act).

Sanctions

Pursuant to Article 96e(2) of the Act, the Polish Financial Supervision Authority may impose a fine of up to PLN 500,000 if the Company fails to comply, or complies improperly, with its obligations concerning the selection of candidates for positions on the company's governing bodies (Article 90ge of the Act) and the

annual preparation of a report on the representation of each gender on the company's governing bodies and the measures taken to ensure gender balance on those bodies (Article 90gi(1) of the Act).