1. **Statement of the Management Board of FEERUM S.A on the application of corporate governance procedures**

The Company intends to apply all corporate governance rules set out in the Rules of the Best Practices for WSE Listed Companies except for the following:

**Rules I.12 and IV.10:**

A company should enable its shareholders to exercise their right to vote during a General Meeting either in person or through a proxy, from a location other than the General Meeting, using electronic communication means.

A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

1. real-life broadcast of a General Meeting;
2. real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting.

**Explanation of the reasons for which the Company does not comply with the rules:**

Pursuant to Article 4065 of the CCC, the Articles of Association of a joint-stock company may provide for a possibility to participate in a General Meeting by means of electronic communication, which applies in particular to the right of a shareholder specified in rules I.12 and IV.10. This solution is not mandatory, and the Articles of Association of the Company do not provide for such possibility. In the opinion of FEERUM S.A, its Articles of Association, provisions of CCC and the Regulations of the General Meeting of Shareholders being in force in the Company regulate the course of and participation in General Meetings in a comprehensive and fully sufficient manner.

**Rule I.5:**

A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.

**Explanation of the reasons for which the Company does not comply with the rule:**

Remuneration of members of management and supervisory bodies of the Company is determined according to the scope of tasks, responsibilities related to the position held and economic performance of the Group. The Company does not intend to introduce a remuneration policy according to the recommendations of the European Commission, wishing to retain more decision-making freedom in this regard.

**Rule I.9:**

The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies’ economic business.

**Explanation of the reasons for which the Company does not comply with the rule:**

The proportion of women and men in management and supervisory functions in the Company depends on the competence, skills and efficiency. Decisions regarding appointments to management or supervisory positions are not dictated by gender. Therefore the Company may not ensure a balanced proportion of women and men in management and supervisory positions.

**Rule II. 1 item 2a:**

A company should operate a corporate website and publish on it, in addition to information required by legal regulations:

2a) on an annual basis, in the fourth quarter – information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the company in the last two years.

**Explanation of the reasons for which the Company does not comply with the rule:**

Taking into account that the Company does not intend to apply the rule I.9 concerning ensuring a balanced proportion of women and men in management and supervisory positions, in the opinion of FEERUM S.A. it is not reasonable to publish on the corporate website the information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the Company in the last two years.

**Rule II.2:**

A company should ensure that its website is also available in English, at least to the extent described in section II.1.

**Explanation of the reasons for which the Company does not comply with the rule:**

Taking into account the size of the Company and the expected market capitalisation, in the Company’s opinion the future exposure to foreign investors will not be significant. As a consequence, the costs related to preparation of a website in English and updating it, which FEERUM S.A. would have to incur, would be disproportionate to the advantages.