

## **TRANSPARENCY AND REPORTING**

Agora fully recognizes the importance of the corporate governance rules and their role in enhancing the transparency of public companies. The company is therefore committed to observing them in day-to-day operations. The company makes every effort to ensure proper communications with investors and shareholders and a transparent information policy. We have also adhered to the code of best practices of companies listed on Warsaw Stock Exchange since the first edition of Code of Best Practice for WSE Listed Companies in 2002.

### **REPORT AND ANNOUNCEMENT ON THE ADHERENCE TO CORPORATE GOVERNANCE PRINCIPLES**

Agora S.A. issues reports and announcements on the adherence to corporate governance principles by Agora S.A. The document includes information about: compliance with the good practices code of WSE listed companies as well as internal controls and risk management rules, policy of remuneration of key managers, diversity policy and social and sponsoring activities policy in Agora.

The announcement and report on the adherence to corporate governance principles by Agora S.A. in 2019 can be found on: [www.agora.pl](http://www.agora.pl).

## **SUPERVISORY BOARD REPORT**

Every year Supervisory Board reports on their operations in the current financial year. 2019 report included information about: composition of Supervisory Board and its committees, fulfilment by Members of SB of the independence requirement, number of meetings of SB and its committees in the reporting period and self-assessment of SB's performance. Supervisory Board also submits their evaluation of the fulfilment by the company of the WSE corporate governance code and regulations regarding submitting current and periodic information by issuers of securities, as well as evaluation of the rationality of the company's sponsoring, charity and similar activities, or information about the absence of such policies. In the event of any relations of a SB Member with a shareholder owning more than five percent of total shares, they are obliged to inform Members of Management Board and other Members of Supervisory Board about the fact. The same obligation applies in the event of an existing or potential conflict of interests.

### **RECOMMENDATIONS FOR BEST PRACTICE FOR LISTED COMPANIES**

In terms of the information policy pursued, the Company complies with the recommendations by providing anyone interested with an easy and non-discriminatory access to information through a variety of communication tools. The Company operates a corporate website and publishes on it, in a legible form and in a separate section, information required under the legislation and detailed rules of the Code of Good Practice,

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as well as other corporate documents aimed at presenting the Company's business profile as broadly as possible to all interested parties. Although Agora S.A.'s shares are not qualified for the WIG20 and mWIG40 indices, the Company provides all the above information and documents also in English.

In addition, the Company operates a mobile version of the investor relations service and Agora's press office, as well as the Company's Twitter account, thus ensuring access to information on an ongoing basis. The Company ensures direct and personal contact with employees of the Investor Relations Department and representatives of the Company's Management Board. The Company also offers a subscription to the corporate newsletter containing selected corporate information or press releases. Additionally, the Company is engaged in industry-focused mailing activities, providing reports on individual media segments. On its website, the Company also publishes reports on compliance with corporate governance rules and information on the policy for changing the entity authorized to audit financial statements. Where the Company becomes aware that untrue information is disseminated in the media, which may significantly affect its evaluation or image, the Management Board of the Company, as soon as such information is known, decides how to respond to such information in the most effective way - whether by publishing a statement on the Company's corporate website or by using other, selected solutions, where such solutions are considered more appropriate due to the nature of the information and the circumstances in which such information is published.

The Company makes every effort to prepare and publish periodic reports as soon as possible after the end of a reporting period, taking into account the complexity of the Company's capital structure. The Management Board of Agora S.A. regularly meets with representatives of the capital market and the media at meetings held after the publication of quarterly results. These meetings are also broadcast online so as to enable all those who could not appear personally to follow the course of such a meeting, as well as to ask questions by e-mail.

The Company's Management Board and Supervisory Board act in the interest of the Company. The Management Board and the Supervisory Board have members who represent high qualifications and experience.

Serving on the Management Board of the Company is the main area of the professional activity of Management Board members. The division of responsibilities for individual areas of the company's activity among Management Board members is published by the Company on its corporate website. As part of the division of duties between members of the board in 2019, one of them also served as the president of the management board of the subsidiary Helios S.A., which is part of the business segment directly supervised by him. It is currently the largest enterprise in the scale of the Group. In the opinion of the Management Board, this supports the effective implementation of the development plan of the Movies and Books segment, as well as the entire enterprise of the issuer.

The Company's Supervisory Board has no control over the selection of candidates to the Management Board of the Company. Candidates for members of the Management Board are nominated by shareholders holding series A shares, while the Management Board members are appointed by the General Meeting (with the reservation that Management Board

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members may be co-opted in accordance with the Statutes). Nevertheless, when assessing the performance of individual members of the Management Board after the end of each financial year, the Supervisory Board discusses the professional plans with each of the Management Board members in order to ensure efficient operations of the Management Board.

Members of Agora's Supervisory Board represent diversified fields of expertise and many years of professional experience allowing them to look at issues related to the Company's and the Group's operations from a broader perspective. Supervisory Board representatives are able to devote the time necessary to perform their duties. If a Supervisory Board member resigns or is unable to perform his or her duties, the Company immediately takes steps necessary to ensure substitution or replacement on the Supervisory Board, provided that members of the Supervisory Board are appointed by the General Meeting. In accordance with requirements of the Code of Best Practice, at least two members of the Supervisory Board meet the criteria of being independent.

Members of the Company's Supervisory Board receive all necessary information on the Company's and Group's operations on an ongoing basis. In addition, the Company allows its Supervisory Board to use professional and independent advisory services (taking into account the Company's financial position) necessary for the Supervisory Board to exercise effective supervision in the Company.

The Supervisory Board of Agora did not depart from any of the Good Practices applied by members of the supervisory boards. As part of its responsibilities, the Board prepares a brief assessment of the Company's standing, including an evaluation of the internal control, risk management and compliance systems and the internal audit function. The aforesaid assessment covers all significant controls, in particular financial reporting and operational controls. This assessment is published by the Company together with all materials related to the general meeting on the Company's corporate website.

At the same time, the Supervisory Board reviews and issues opinions on matters to be discussed at the general meeting. Representatives of the Supervisory Board always participate in the General Meeting in a composition enabling them to answer any questions from shareholders, to the extent permitted by the applicable law. In 2019, the Supervisory Board was represented at the General Meeting by its Chairman, Mr. Andrzej Szlęzak.

Each year, the Supervisory Board also prepares a report on its activities in the financial year. The Board will also prepare the report on its activities in 2019. This report will comprise information on: composition of the Board and its Committees, the Board members' fulfilment of the independence criteria, number of meetings of the Board and its Committees in the reporting period and self-assessment of the Supervisory Board's performance. The Supervisory Board will also present its assessment of the company's compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, as well as an assessment of the rationality of the company's policy for sponsorship, charity or other similar activities or information about the absence of such policy.

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Where there is any relationship between a member of the Supervisory Board and any shareholder who holds at least 5% of the total vote in the company, such member notifies the Company's Management Board and other members of the Supervisory Board of this fact. On September 5, 2019, Mr. Tomasz Karusewicz, acting on the basis of detailed principle II.Z.5 of the Good Practices of WSE Listed Companies 2016 (hereinafter: "DPSN 2016") submitted a declaration of non-compliance with the independence criteria indicated in principle II.Z.4 DPSN 2016, which makes the criterion of compliance with independence, in particular, subject to: (i) meeting the requirements set out in Annex II to the European Commission Recommendation 2005/162/EC of February 15, 2005 regarding the role of non-executive or supervisory directors of listed companies and board committees (supervisory) and (ii) compliance with the requirement of being unrelated to a shareholder holding at least 5% of the total number of votes in the company. Bearing in mind the connection of Mr. Tomasz Karusewicz with Universal Pension Company PZU SA, i.e. a shareholder holding over 5% of votes at the general meeting of Agora SA, the Supervisory Board of the Company adopted on September 5, 2019, Resolution No. 4, in which Mr. Tomasz Karusewicz was found not to meet the abovementioned independence requirements. The same happens in the event of a conflict of interest or the possibility of its arising. The same applies if there is a conflict of interest or a potential conflict of interest.

## **CODE OF BEST PRACTICES FOR WSE LISTED COMPANIES**

Agora S.A. complies with the corporate governance code set out in the document Code of Best Practice for WSE Listed Companies 2016 (Code of Best Practice) and observed relevant international standards. Company continued to strive for the highest standards of corporate governance and observe the principle of limited communication with the capital market in blackout periods, i.e. before the publication of Agora Group's financial results. Agora knows and respects the regulations relevant to trading Agora's financial instruments.

The Code of Best Practice was adopted by resolution No 26/413/2015 of the WSE Board dated 13 October 2015. The Management Board of the Company exercises due care in order to observe the principles of the Code of Best Practice. The Code of Best Practice has been published on the WSE's website (<https://www.gpw.pl/dobre-praktyki>). Good Practices are grouped into six areas: information policy and communication with investors, Management Board and Supervisory Board, internal systems and functions, General Meeting of Shareholders and relations with shareholders, conflict of interests and transactions with affiliated entities, remuneration. The document contains: 20 recommendations (R) and 70 detailed guidelines (Z).

In 2019, the Company complied with all rules set out in the Code of Best Practice. The recommendation on providing shareholders with the possibility to participate in general meetings using electronic communication means (IV.R.2), as regards enabling shareholders to participate through real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting, was complied with by means of a dedicated e-mail address.

Agora has provided real-time broadcasts of General Meetings of Shareholders in Polish and English. In 2019 Agora provided shareholders with the channel for real-time two-way

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communication through a dedicated e-mail address. Due to significant financial and technological considerations, as well as potential legal barriers, Agora does not offer shareholders the opportunity to execute, personally or via a proxy, the right to vote in GAM via electronic channels.

## **AGORA S.A. IN RESPECT INDEX**

From 2017 until 31 Dec. 2019 Agora S.A. was included in RESPECT Index of Socially Responsible Businesses of Warsaw Stock Exchange. WSE announced the 12th RESPECT report on 12 December 2018. In 2019 WSE announced the intention to withdraw from publishing RESPECT index on 31 Dec. 2019.

In an official notice addressed to the capital market, WSE stated that after ten years, RESPECT Index fulfilled its educational purpose and drew the attention of issuers and the entire capital market to the benefits from conducting operations in a socially and environmentally responsible manner. On 3 September 2019 WSE launched WIG-ESG. The new index includes all companies from WIG20 and mWIG40, their weights will depend on the number and value of free-float shares, but these will be adjusted for ESG ratings and an assessment of compliance with the principles laid down in Best Practice for WSE Listed Companies 2016. Additionally, since the first publication, WIG-ESG has become a base for a passive fund launched by NN Investment Partners TFI.

Due to the fact that Agora S.A. is not listed in the main indices WIG20 and mWIG40, as of the day of the publication of this report, it has not been listed on WIG-ESG.

Inclusion in RESPECT Index is a proof of Agora's commitment to ESG aspects (Environmental, Social and Governance). RESPECT Index was the first index of responsible companies created in Central and Eastern Europe. The project was launched by Warsaw Stock Exchange in 2009 when the first portfolio was published. RESPECT includes both Polish and foreign companies listed on the WSE Main Market with than the market average expressed in the WIG index. RESPECT companies were selected from those listed at the WSE Main Market, with highest trading liquidity, included in the following indices: WIG20, mWIG40 and sWIG80. After completion of the three-step validation process carried by Warsaw Stock Exchange and Polish Association of Listed Companies, the new list of RESPECT brands was compiled, with companies whose market communications are impeccable, conducted through current and periodic reports and their corporate websites. The third condition was socially responsible behaviour towards the environment, community and employees, analysed on the basis of a questionnaire verified by the project auditor. Shares of companies in the index were calculated following the same principle as the other WSE indices, on the basis of the number of free-floating shares, with the share of major companies in the index capped at 25 percent when the RESPECT had fewer than 20 underlying companies and to 10 percent when the number exceeded 20. More on:

<http://www.odpowiedzialni.gpw.pl>

## **COMMUNICATION WITH CAPITAL MARKETS**

Communications of AGORA S.A. with all stakeholders, including investors, analysts, shareholders and other members of the capital markets is of crucial importance and is always conducted with transparency and integrity. Agora regularly organizes meetings for investors, shareholders and the media, with presentations of the group's financial results. At

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least four such meetings for investors and journalists are held each year. To provide equal access to information, Agora streams the reporting sessions with simultaneous translation to English, On-site as well as online participants can join Q&A session with the members of Management Board of Agora.

The same formula applies also to ordinary and extraordinary General Meetings of Shareholders that are announced in advance, to allow time for proper preparation for shareholders before meeting representatives of Agora.

Additionally, at least once a year representatives of the capital market and the media are invited to participate in Agora Open Day, when they can interview managers of the group's businesses.

Members of Management Board and Investor Relations regularly attend domestic and foreign conferences and other events organized by sell side, sharing information about the company, market segments in which Agora operates and presenting materials developed especially for this purpose. To provide better insight into the company's situation, Agora offers analysts and investors market and industry reports and analyses as well as the possibility of face-to-face contact with the representatives of investor relations, corporate communications and the company's Management Board.

To ensure two-way dialogue, Agora develops intuitive communication tools and offers ready access to information (newsletters, mobile website, Twitter account (@Agora SA) and LinkedIn, mailing of industry-specific reports on specific segments of the company's operations).

Channels of communication with the market also include collecting investor feedback, through individual interviews by the members of Investor Relations team.

## **Dialogue with investors**

Investor relations are an element of building the Company's value on the capital market. Agora stays in touch with representatives of the market and is thus viewed as one of the most transparent companies in the market. Shareholders, investors and analysts actively trace the updates from Agora. Indeed, contacts are often initiated by the stakeholders who value speedy and informative responses and the always open, wide communication channel of communication with Investor Relations of Agora.

Agora also instantly responds to all queries from stakeholders, particularly investors or the media, and monitors standard and social media.

## **AGORA DISTINGUISHED FOR COMMUNICATIONS WITH CAPITAL MARKET**

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In 2019 Agora returned to the group of winners of the prestigious Golden Website competition organized by Polish Association of Listed Companies on categories Best IR Service and Leader of Online Communications. The awards attest to high quality of Agora's investor relations and communications with the capital market and prove high confidence in the company on the part of stakeholders.

## AGORA NAMED TRANSPARENT BRAND OF 2018



Agora S.A. was among the winners of the title Transparent Company of the Year 2018. This is the third edition of the ranking organized by Parkiet daily and the Institute of Accountancy and Taxes under the honorary patronage of the Warsaw Stock Exchange. The award ceremony was held on May 20, 2019 in Warsaw.

Transparent Company of the Year 2018 ranking was based on a survey that covered following areas: financial reporting, investor relations and corporate governance principles. The companies from indexes: WIG20, mWIG40 and sWIG80 received a special questionnaire with an invitation to complete it in order to be included in the ranking. 64 companies participated in the survey - 15 from WIG20, 23 from mWIG40 and 26 from sWIG80.

Agora received the Transparent Company of the Year 2018 title for the highest number of points (32) among companies from the sWIG80 index.

The organizers of the Transparent Company of the Year 2018 ranking are: Parkiet daily's editorial team and the Institute of Accountancy and Taxes. The honorary patron is the Warsaw Stock Exchange and the substantive partner is Wierzbowski and Partners Legal

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Advisors and Advocates.