

**Current report No.:** 1/2021

**Drafting date:** 2021-05-27

**Abbreviated name of the issuer:** Pepco Group N.V.

**Topic:** Report on the scope of the application of the WSE Best Practices

**Legal basis:** § 29 section 3 of the Warsaw Stock Exchange Rules.

**Content of the report:**

The Board of Directors of Pepco Group N.V. (the "**Company**") hereby announces that pursuant to § 29 section 3 of the Rules of the Warsaw Stock Exchange, the Company provides a report on the non-application of the rules contained in the set of "Best Practices of Companies Listed on the WSE 2016".

Disclosure Policy, Investor Communications

I.R.2 Where a company pursues sponsorship, charity or other similar activities, it should publish information about the relevant policy in its annual activity report.

The recommendation is not applied.

Comments of the Company: The Company can not guarantee that the above recommendation will be implemented and does not intend to introduce a sponsorship policy at present as sponsorship activity is negligible for the Group's operations. However, it is not excluded that the Company will introduce and publish such policy in the future.

I.Z.1.3. A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation: a chart showing the division of duties and responsibilities among members of the management board drawn up according to principle II.Z.1.

The principle is not applied.

Comments of the Company: The Company will not comply with this principle, as it was designed for companies in which management and supervisory functions are vested in separate boards. As the Company's Board comprises both Executive and Non-Executive Directors, it will be difficult for the Board to provide a chart with the specified scope of duties of each individual member of the Board. The Company does not rule out that it may decide to comply with this principle in the future.

I.Z.1.10. A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation: financial projections, if the company has decided to publish them, published at least in the last 5 years, including information about the degree of their implementation;

The principle is not applied.

Comments of the Company: The Company does not intend to publish financial projections; therefore, this principle is not applicable to the Company.

I.Z.1.19. A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation: shareholders' questions asked to the management board pursuant to Article 428 § 1 or § 6 of the Commercial Companies Code together with answers of the management board to those questions, or a detailed explanation of the reasons why no answer is provided, pursuant to principle IV.Z.13;

The principle is not applied.

Comments of the Company: The Company chooses to deviate from this only for the technical reason that Dutch statutory law governs these aspects.

## General Meeting, Shareholder Relations

IV.R.3. Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such securities are traded.

The recommendation is not applied.

Comments of the Company: As the Company's securities will currently be traded only on the WSE, this recommendation is not applicable to the Company.

IV.Z.2. If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.

The principle is not applied.

Comments of the Company: As regards principles No. IV.Z.2. and No. I.Z.1.20, as well as recommendation No. IV.R.2, the Company will partially apply the above-mentioned principles and recommendation, as due to technical and organisational issues, currently the Company does not envisage implementation of means enabling the active participation of the shareholders in the General Meeting outside of its venue in the Netherlands. The Company does not rule out that it may decide to implement such means in the future.

IV.Z.13. If a shareholder request information about the company, the management board of the company should provide an answer to the shareholder's request within 30 days or inform the shareholder of its refusal to provide such information where the management board has made such decision pursuant to Article 428 § 2 or § 3 of the Commercial Companies Code.

The principle is not applied.

Comments of the Company: The Company chooses to deviate from this only for the technical reason that Dutch statutory law governs these aspects.

## Remuneration

VI.R.1. The remuneration of members of the company's governing bodies and key managers should follow the approved remuneration policy.

The recommendation is not applied.

Comments of the Company: The Company chooses to deviate from this in line with the practice in Dutch companies where the remuneration policy that is subject to shareholder approval only covers members of the Board of Directors, not Senior Management.