

## **Report on the scope of compliance with the Best Practice**

Pursuant to Article 29.3 of the Rules of the Warsaw Stock Exchange, Energa Spółka Akcyjna presents the report on compliance with the detailed principles of the "Best Practice for GPW Listed Companies 2016".

### Disclosure Policy, Investor Communications

I.Z.1.10. 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 not applicable.

The ENERGA SA Management Board has not made a decision to publish any financial forecasts.

### Internal Systems and Functions

III.Z.3. The independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks. The Company does not apply this principle. The Company does not meet the requirement of standard 1110-1 only in respect to the organizational independence, that is appointment and dismissal of an Internal Audit Head and approval and changes of his/her remuneration. The standard mentioned above is defined in the International Standards for the Professional Practice of Internal Auditing by the Institute of Internal Auditors. Additionally the Internal Audit Head is not functionally subordinated to the Supervisory Board.

### Conflict of Interest, Related Party Transactions

V.Z.6. In its internal regulations, the company should define the criteria and circumstances under which a conflict of interest may arise in the company, as well as the rules of conduct where a conflict of interest has arisen or may arise. The company's internal regulations should among others provide for ways to prevent, identify and resolve conflicts of interest, as well as rules of excluding members of the management board or the supervisory board from participation in reviewing matters subject to a conflict of interest which has arisen or may arise.

The Company does not apply this principle.

The Company has implemented a Code of Ethics which lays down a number of rules that define the behaviors which the Company intends to follow in its relations with the external environment and within the ENERGA Group. The Company is of the position that issues related to the identification, prevention and resolution of conflicts of interest should also be addressed in its internal regulations. Accordingly, the Company will take steps to ensure that such provisions are included in its corporate documents.