

# 2022

## Echo Investment S.A. statement on the application of corporate governance principles



**ECHO**  
investment

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# The Articles of Association of the Company and the major corporate governance documents

The main document governing the issues of corporate governance is the Articles of Association of Echo Investment S.A. Other issues of corporate governance are regulated in the following documents:

- By-laws of the Supervisory Board,
- By-laws of the Management Board,
- By-laws of the Audit Committee,
- Code of Conduct.

All the above documents are available on the website [en.echo.com.pl](http://en.echo.com.pl) in the tab “Investor relations — Strategy and corporate governance”.

## Best Practices of WSE Listed Companies

Since 1 July, 2021, the Company has been subject to the corporate governance principles contained in the document ‘Best Practices of WSE Listed Companies 2021’ adopted by the resolution of the Council of the WSE on 29 March 2021. The principles came into force on July 1, 2021 and they are still in effect. The text of the current Best Practices is available on the website of the Warsaw Stock Exchange at <https://www.gpw.pl/best-practice2021>. The Company applies all recommended best practice principles except for eight listed above.

**1.4.1. Information on the strategy in the area of ESG should among others: explain how issues related to climate change are taken into account in decision making processes of the company and entities comprising its group, and indicate the risks arising therefrom.**



## Changes in the Company’s Articles of Association during 2022

In 2022, there were no changes in the Company’s Articles of Association and documents regulated the other issues of corporate governance.

The Company intends to apply the Principle in the future.

**1.4.2. Information on the strategy in the area of ESG should among others: indicate the value of the equal pay index with respect to salaries paid to its employees, calculated as a percentage difference between the average monthly salary (including bonuses, awards and other allowances) of women and men for the last year and present information about steps taken to eliminate any inequalities in this respect, including the indication of the risks related thereto and the time frame in which achievement of equality is planned.**

The Company intends to apply the Principle in the future.

**2.1. The Company should have a diversity policy with respect to the management board and the supervisory**

*board, adopted by the supervisory board or the general meeting, respectively. The diversity policy sets out diversity objectives and criteria, among others in areas such as gender, field of education, specialist knowledge, age and professional experience, and indicates the deadline and manner of monitoring the achievement of such objectives. With respect to gender diversity, diversity of the company's governing bodies will be ensured on the condition that the participation of minority in the relevant governing body shall be no less than 30 percent.*

The Company has a diversity policy in place with respect to its employees; however, due to the fact that the General Meeting and the Supervisory Board have not thus far passed resolutions in this respect, the Company has not adopted a gender diversity policy with respect to the Management Board and the Supervisory Board. In confirmation of the fact that the management board of the Company the diversity policy with respect to employment of broadly understood managerial staff, including all directors and managers, the The Company informs that the diversity index being a measure of participation of women in the so defined managerial staff amounts to approx. 30 percent.

*2.2. Persons taking decisions on the appointment of members of the management board or the supervisory board of the company should ensure versatility of such bodies by appointing to such bodies individuals ensuring diversity, making it possible among others to achieve the target minority participation index not less than 30 percent, in accordance with the objectives specified in the adopted diversity policy referred to in principle 2.1.*

Due to the fact that the General Meeting and the Supervisory Board have not thus far passed resolutions in this respect, the Company has not adopted a gender diversity policy with respect to the Management Board and the Supervisory Board.

*2.11.6. In addition to activities arising from the provisions of law, once a year the supervisory board shall prepare and submit an annual report for the ordinary general meeting's approval. The report referred to above contains at least: information on the level of implementation of the diversity policy with respect to the management board and the supervisory board, including the achievement of objectives referred to in principle 2.1.*

## **Standards recommended by the WSE for the compliance management system on counteracting corruption and the whistle-blower protection system**

On 8 October, 2018 the Warsaw Stock Exchange published "Standards recommended for the compliance management system on counteracting corruption and the whistle-blower protection system in companies listed on markets organized by the Warsaw Stock Exchange S.A.".

The Company does not apply principle 2.1.; therefore, the Report of the Supervisory Board will not contain the content referred to in principle 2.11.6.

*4.1. The Company should make it possible for shareholders to participate in the general meeting using electronic communication means (e-meeting), if it is reasonable due to the shareholders' expectations communicated to the company, as long as it is able to ensure technical infrastructure necessary to carry out such general meeting.*

The principle is not applied. Bearing in mind legal risks related to e-meetings and the present shareholding structure, the Issuer decided that presently it is not going to hold General Meetings using electronic communication means (e-meetings). As soon as risks related to such General Shareholders Meetings are eliminated and such need is communicated by a significant number of shareholders, the Company will consider implementation of this principle.

*4.3. The Company shall ensure publicly available real-time transmission of the general meeting.*

The Company does not ensure publicly available real-time transmission of the general meeting, but after the end of the general meeting it makes available an audio and video recording of the general meeting on its website.

*6.3. If one of the incentive schemes in the company is a management stock options program, then the implementation of the program should be made conditional on the achievement by the eligible individuals, within at least 3 years, of predetermined realistic and appropriate for the company financial and non-financial goals and sustainable development objectives, and the fixed share purchase price or the option settlement price for the eligible persons cannot be different than the value of shares in the program adoption period.*

The Company is a party to agreements pursuant to which eligible persons will be able to purchase shares below the market price, provided, however, that relevant long-term financial goals are achieved and as long as relevant resolutions are passed by the General Meeting. The execution of such agreements was disclosed in a current reports.

At present the document is a non-binding recommendation for listed companies. The recommendations include:

- development and application of the Anti-Corruption Code,
- staff training in the field of counteracting corruption,

- introduction of anti-corruption clauses in contracts,
- development and application of the policy for granting and accepting gifts,
- development and application the policy for sponsoring and donations,
- implementation of the procedure to facilitate reporting about irregularities by whistle-blowers,
- establishment of the compliance management function.

Echo Investment completed all of the above recommendations, except for the last one regarding the establishment of the compliance management function. In Echo Investment, compliance management falls within duties of several employees of the legal department, and among others, the Ethics Committee.

- The Ethics Committee is an advisory body of the Management Board with responsibility for supervising the proper implementation of procedures and the application of adopted codes, regulations and other internal regulations, in particular the Anti- Corruption Code and procedures for concluding and performing donation, sponsorship and similar agreements. The Committee includes:

- a Management Board Member appointed by resolution of the Management Board or by decision of the President of the Management Board,
- a Director or some other member (legal counsel or advocate) of Echo's legal department, appointed by the department's director,
- an employee of the Marketing or Communication Department appointed by resolution of the Management Board or by decision of the President of the Management Board.

## The company's Ethics Committee



on 31 December, 2022  
and as for the day of this report:

**Maciej Drozd**, Vice-President for finance,  
**Rafał Zboch**, the Director of the legal department,  
**Emil Górecki**, Communication manager.

## Anti-Corruption Code

The Anti-Corruption Code, that is binding in Echo Investment Group, states who is considered a public person or his/her closest person, on what basis Echo Investment's employees can contact public persons, and what precautions are required when undertaking such issues with public persons as donations and sponsorship, invitations, covering accommodation costs, catering, informal and private meetings, presents and occasional gifts, agency agreements in contact with public administration officials or other contracts with public persons.

### Engagement of public persons

The Anti-Corruption Code states the principles of the engagement of public persons or their closest persons. According to the Code, the engagement is always carried out in the standard mode, in accordance with recruitment procedures and on conditions adopted in the company, but in addition, the risk assessment of the engagement of a person performing - now or in the past - a public function is a part of any recruitment process.

If the HR department recognises a potential risk, HR employees inform the Ethics Committee about this fact. The Ethics Committee, after examining the case, makes recommendations on continuing the recruitment process. Employees of Echo Investment are also obliged to inform the Committee if their closest person becomes a public person.

### Cooperation with intermediaries in contact with administration officials

As to contact with public administration officials, Echo Investment often engages intermediaries e.g. architects. In order to cooperate with a new entity - an intermediary whose task will be to obtain decisions, approvals and other official orders, Echo Investment employees are obligated to apply the following procedure:

1. The analysis of opinions on a given partner who would be engaged in contact with administration officials.
2. The question whether a potential intermediary is connected with public persons or their closest persons.
3. The collection from an intermediary a statement of getting acquainted with the Code of Conduct and the Anti-Corruption Code of Echo Investment.
4. The collection from an intermediary a statement that that no part of the remuneration paid by Echo will be used to pay the cost of any economic or personal benefits for any public officials.

A consent of the Ethics Committee is required to conclude an agreement with a new entity that will act as intermediary in contact with public administration officials he administration and offices. In case of suspected irregularities in cooperation with an intermediary, the Committee may also undertake explanatory actions. Also, any circumstances suggesting an unethical or non-compliant with stand-

ards behaviour of business partners should be reported to the Ethics Committee.

### Dealing with business partners

Employees of Echo Investment Group involved in transactions with third parties must loyally represent the Group's interests, while business partners are guaranteed fair treatment on terms that are based exclusively on transparent considerations of a business nature. All conflicts of interests on the part of any employees must be reported according to the Code of Conduct. In addition, the Committee must be notified of any attempt to obtain business for or from Echo Group companies in any unethical manner. Employees shall pay attention to and inform the Committee on any circumstances suggesting an unethical or non-compliant with Echo's standards behaviour of an intermediary. The Committee shall then immediately

## The procedure of concluding and performing donation, sponsorship and similar agreements

Echo Investment Group has enforce the procedure of concluding and performing donation, sponsoring and similar agreements in order in order to ensure that Echo's funds in the area of social responsibility in business are spent transparently and effectively, and in compliance with applicable laws as well as Echo's internal policies and standards of ethics. This Policy is binding upon all Echo group companies and applies to all donation, sponsorship and similar agreements, whereby these companies undertake to provide resources, financial or in-kind, to any third party in order to support charitable, social, cultural, sport or business ventures, projects or events.

The procedure is under the strict supervision of the Ethics Committee. It implemented a detailed path of proceedings with applications and matters related to charity, sponsorship, etc., in which a potential donor is Echo Investment or a company from the group. It includes a request for support, screening of a potential beneficiary, proceedings in case when a public person is connected with an applicant, and later performance monitoring of the granted support.

### Code of Conduct

As part of risk management and in order to strengthen its corporate culture, Echo Investment has enforce the Code of Conduct — a document which defines the company's values and ethical norms required in its relations with employees, shareholders, local administration and communities. The Code of Conducts organizes issues such as relations among employees and superiors or relations with

undertake actions aimed at verifying the reported circumstances and deciding on further cooperation with a given business partner. Echo expects that rules arising from generally applicable anti-corruption laws will be complied with also by all of Echo's business partners. To this end, the Legal Department makes sure that any Echo contracts which it drafts or opines for Echo Group companies contain anti-corruption clauses which are appropriate for the nature of the particular contractual obligations, including at the minimum the following provisions, adjusted as needed to the object of a given agreement.

### Auditing

Compliance with the provisions of this Code, as well as the performance of duties presented therein by Echo employees and the Ethics Committee is subject to periodic examination by the internal audit department.



business parties and other interested parties. It also defines the code of conduct in difficult situations such as a conflict of interest, a suspicion of irregularities, a corruption proposal or working with co-operators of bad reputation.

As every year, in 2022, Echo Investment Group conducted a mandatory training for each employee in ethics, mainly based on the Code of Conduct. The training ended with an obligatory exam.

### Whistleblowing policy

The Group has enforce procedures of irregularity reporting and their examination, which promote ethics in everyday work and provides the reporting persons with a sense of security. They make it possible for employees to report unethical or illegal activities observed, which infringe the law, internal regulations or principles of social co-existence. The system operates with the support of an external company Linia Etyki.

### Other procedures and policies

Echo Investment has also enforce other procedures and specific policies concerning, inter alia, auditor selection policy, policy non-audit services, environmental policy or security policy. They streamlines and automates the management process for specific areas of Echo Investment's operations and facilitates performance monitoring. The content of these procedures and policies is available on the website [en.echo.com.pl](http://en.echo.com.pl) in the tab "Strategy and corporate governance".

# Systems of internal control and risk management

The Company's Management Board is responsible for the internal control system and its effectiveness in the process of preparing financial statements and periodic reports published according to the Regulation of the Minister of Finance of 29 March, 2018 on current and periodic information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state (item 757).

The Business Controlling Division is responsible for proper project reporting and verification of project costs.

Mutual connections and interdependence of internal control elements in several areas, such as:

- operating activity,
- financial activity,
- reporting process (including the preparation of financial statements),
- analysis of costs and expenditures related to projects, costs and general administrative expenses
- and sale, and costs and expenditures related to the use of leasable area,
- risk management, ensuring an effective internal control system and supporting the management of the whole Group.

To make this process optimal and effective, the Company has introduced the automation in the internal control process:

- decision limits (approval of costs, expenditures, payments, selection of counterparties),
- configuration of accounts (enabling manual postings on automatic accounts, transparent and easy process of transferring information for reporting),
- automation of payments (generating a payment from the accounting system for electronic banking systems),
- integrated systems moneyFlow, contractFlow, projectFlow, budgetFlow and businessPartner360 facilitating the circulation of invoices, approval of expenditures and costs, posting, verification of the legitimacy and analysis of financial flows in the Group.

To make this process optimal and efficient, the Company introduced the automation of internal control processes:

- decision limits (acceptance of costs, outlays, payments, contractor selection),
- configuration of accounts (preventing manual postings on automatic accounts, transparency and ease of transferring information for reporting),
- payment automation (generating payments from the accounting system to electronic banking systems),
- integrated moneyFlow, contractFlow, projectFlow, budgetFlow, eWniosek for payment and businessPartner360 systems that facilitate the process of invoice circulation, acceptance of expenses and costs, assignment, verification of legitimacy and analysis of financial flows in the Group.

## Main characteristics of the internal control and of the risk management system in relation to the process of financial statements

Main characteristics of the internal control and of the risk management system in relation to the process of preparing separate and consolidated financial statements:

- defined and transparent organisational structure,

- skills, know-how and experience of people involved in the internal control process,
- supervision by the management over the system and regular evaluation of the Company's business,



- verification of financial statements by an independent statutory auditor,
- internal audit department.

Employees responsible for preparing financial statements, as part of the Company's financial and management reporting, are a highly qualified team of specialists of the Finance Department, which is managed directly by the Finance Director and, indirectly, by the Company's Management Board. In the Finance Department, this process involves mainly staff from the Accounting Division, assisted by employees from the Budgeting and Analysis Division, Financing Division, and Business Controlling Division, and the whole process is supervised by mid-level management staff of the Finance Department.

Economic events in the course of the year are recorded by the Records Team of the Accounting Department. As part of internal control, the correctness of economic records is monitored by the Reporting Team from the Accounting Division, who have certificates of the Minister of Finance to provide services involving the keeping of accounting books (so-called independent accountants). After completing all pre-defined processes of closing the books, the Team prepares financial statements. The process of monitoring the correctness of posting costs also involves employees from the Division of Budgeting and Analysis.

Valuations recognised in the statements are prepared and submitted to the Reporting Division by the employees of the Division of Budgeting and Analysis. This Division

has knowledge in the area of financial accounting (some of the staff are independent accountants), management accounting and financial analyses (some of the staff are adequately trained in audit and internal control). They also monitor the correct posting of these measurements. The whole process of preparing statements is supervised by managers from the Accounting Division and the Division of Budgeting and Analysis. The reconciliation of settlements with banks is the responsibility of the Payments and Insurance Team. Thanks to a broad internal control system, which involves staff from individual teams, and supervision by managers from the Finance Department, any errors are adjusted on an ongoing basis in the Company's accounting books according to the adopted accounting policy. Verification of financial data correctness is automated. The pre-prepared financial statements are checked by the Company's Finance Director. According to the applicable laws, the Company reviews or audits its financial statements using a renowned and highly qualified independent statutory auditor.

The Supervisory Board of Echo Investment S.A., upon the recommendation of the Audit Committee, has selected Pricewaterhousecoopers Polska sp. z o.o. Sp.k. based in Warsaw, ul. Polna 11, registered as number 144 in the list of expert auditors to audit separate financial reports of Echo Investment and consolidated financial reports of the Echo Investment Capital Group for the years 2022-2023. The agreement was concluded by the Management Board, based on the Supervisory Board's authorisation.

## Other use of internal control system and of risk management system in the company, taking account of significance of the financial and accounting system



The controlling process in the Group, whose basic and key element is the internal control, is based on a system of budgets. On an annual basis, the Company updates short-term, mid-term and long-term plans, and prepares very detailed budgets for the following year with regard to:

- construction projects,
- expenditures,
- general administrative and sales expenses.

Based on the budgets, cash flow forecasts, which are necessary in the liquidity management process, are updated. The budgeting process is based on the Group's existing formalised rules and is closely supervised by the Finance Director.

The process involves the Group's mid-level and senior management staff responsible for specific budget areas. Responsibility for the preparation and presentation rests

with the Finance Branch, which is also responsible for monitoring the incurred expenditures and reporting on the performance of budgets. The budget of construction projects is the responsibility of Project Managers, who are assisted by the Business Controlling Department staff. The budget of costs and general administrative and sale expenses is the responsibility of the Budgeting and Analysis Departments.

This divisions are also responsible for preparing financial and cash flow forecasts and for verifying them. The budget prepared for the following year on an annual basis is approved by the Management Board and Supervisory Board. The Company's financial and accounting system is the source of data for the whole reporting system of the Group, i.e.:

- for the process of preparing financial statements,
- periodic reports,

- management reporting system.

The whole reporting system uses the Group's financial and management accounting based on the accounting policy adopted in the Group (International Financial Reporting Standards). Thanks to this, management reporting is not detached from the prepared financial statements and takes account of the format and the level of detail of data presented in these statements. A quarterly and annual closing schedule is also prepared on a regular basis. The Accounting Department is responsible for the preparation of the statements. Data for the statements and the statements themselves (both separate and consolidated) are prepared and/or verified by persons with expert knowledge of both Polish and International Financial Reporting Standards.

The process of preparing financial statements is described in the section before. The periodic and management reporting process is a continuation of the budgeting process described before. Once the accounting books have been closed, reports are prepared on the actual performance compared to budgets and forecasts. In relation to closed reporting periods, the Group's financial results are analysed in detail and compared to the budget assumptions and forecasts made in the month preceding the analysed reporting period. The key element in this process is the monitoring of the deviation of actual performance from the plan, and explaining the reasons for such a deviation. Monitoring deviations and learning their reasons helps optimise the Group's operations and minimise potential risk in the future.

## Risk management



The Echo Investment Group's risk management process operates on the basis of its internal Risk Management Policy introduced in 2019. Its main goal is to provide the Group with sustainable and stable growth and also to promote a proactive approach to reporting, estimating and managing risks associated with its operations. The Management Board of Echo Investment S.A. is responsible for risk management in its entirety. The Management Boards of individual companies are responsible for risk management in the Group's companies. The Supervisory Board and the Audit Committee supervise the Group's risk management process, verifying that the adopted strategies, procedures and processes allow for the identification of key material risks, their appropriate assessment and allow for the implementation of appropriate countermeasures by the Management Board, in line with the strategic and operational goals of the Echo Group.

The Echo Group's risk management is performed in relation to the strategic and operational goals of the entire organization, as well as based on goals set individually for each development project under construction. Risk identification, assessment and management at the organizational level is performed together with key managers at least once a year. In the process, key risk areas are analyzed under the supervision of persons responsible for the relevant areas of the organization, and on this basis the Management Board identifies risks of key importance to the Group. The identification of incidents at the project level is carried out due to the constant assessment of risk scenarios at all stages of the investment process, from land acquisition through the project preparation phase, during the construction and also during the sale and during the project's warranty period.

The identified risks are analyzed at appropriate levels of the organization. As for the risks that the Group decides to retain or reduce, appropriate control mechanisms are designed and implemented as part of its existing internal control environment. The Group's key control goals are to achieve its assumed business goals; secure assets; authorize transactions; record transactions (i.e., on time, accurate and complete accounting); maintain accounting records (i.e., document and secure them); and prepare financial statements in accordance with IFRS.

Monitoring of internal control systems evaluates their quality and effectiveness over time. In the Group, this function is carried out using ongoing monitoring actions integrated into business processes, ad hoc monitoring, or a combination of both. Ongoing monitoring takes place during the day-to-day execution of tasks. It includes regular management and supervisory activities, as well as other activities undertaken by employees while performing their duties. The extent and frequency of ad hoc monitoring depends on the risk assessment and the effectiveness of ongoing monitoring procedures. The identified irregularities in the functioning internal control system are reported to the upper management levels, and the most serious issues are reported to managers and the Management Board.

As of 1 June, 2022, the Risk Management Policy is also effective for the Archicom Group. It was adopted by a resolution of the Management Board dated 26 May, 2022.

## Internal audit



The Internal Audit Department that performs independent assessment of risk management, internal control and compliance systems, has been functioning in Echo Investment. Audit tasks engagements are carried out based on annual audit plans, approved and adopted by the Audit Committee. Ad-hoc audits recommended requested by the Audit Committee or the Management Board are also conducted. The results of the internal audit work are reported directly to the Audit Committee and the Management Board.

The Internal Audit Department has free and unrestricted access to the Supervisory Board, Audit Committee and the Management Board. The Internal Audit Director reports functionally to the Audit Committee and administratively to the President of the Management Board, who performs oversight role over internal audit function. Audit Department's Director meets the criteria and principles of independence set out in the widely used international standards for the professional practice of internal auditing.

# 03

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## Rules for amending the Company's Articles of Association

The rules for amending the Company's Articles of Association are governed by the Commercial Companies Code. Amendments to the Article of Association require a resolution of the General Shareholders' Meeting of Echo Investment S.A. and an entry into the National Court Register (KRS). The Management Board reports the amendment to the Article of Association to the respective register court immediately in accordance with the applicable regulations.

Together with the entry of an amendment to the Article of Association, the amendment to the Company's corporate data reported to the register court is entered into the National Court Register. The General Shareholders' Meeting can authorise the Supervisory Board of Echo Investment S.A. to specify a complete text of the amended Statute or to introduce other editorial amendments, as specified by the resolution of the General Shareholders' Meeting.

# 04

## The procedure of the general meeting, a description of shareholders' rights and the manner of exercising them

The competencies and functioning of the General Meeting of Shareholders of the Company, its authority and the rights of shareholders, as well as the manner of exercising those rights, are governed by the Company's Articles of Association, the Commercial Companies Code and the applicable laws. The Company's Articles of Association are available on the Company's website [echo.com.pl](http://echo.com.pl) under Investor relations / Strategy and corporate governance.

### The procedures of the General Meeting of Shareholders

The General Meeting may be ordinary or extraordinary. It is called in the cases and according to the principles defined in the Code of Commercial Companies. It takes place in the seat of the Company or in any other place in the Republic of Poland indicated in the notice of the General Meeting. The Extraordinary General Meeting is called by the Management Board on its own initiative, at the request of the Supervisory Board or at the request of shareholders representing at least one twentieth of the share capital.

The General Meeting may adopt resolutions regardless of the number of shareholders present or shares represented, subject to the applicable laws and the Company's Articles of Association.

The proceedings of the General Meeting are opened by the Chairperson of the Supervisory Board or their deputy, and then the chairperson is elected from among the persons entitled to participate in the General Meeting. If the Chairperson of the Supervisory Board or their deputy is

The schedule of activities related to the organization of the Company's general meetings, including the preparation of materials presented at a general meeting, is planned in such a way as to duly fulfill the obligations towards shareholders and enable them to exercise their rights.

absent, the General Meeting shall be opened by the President of the Management Board or a person appointed by the Management Board.

The resolutions at the General Meeting are passed by an absolute majority of votes, unless the provisions of the Commercial Companies Code or the Company's Articles of Association require a different majority to effectively pass individual resolutions. The General Meeting of the Company is called by the notice on the Company's website and in the manner specified for providing current information in accordance with the regulations on public offering and conditions for placing financial instruments to organized trading and public companies, at least 26 days before the date of the General Meeting of Shareholders. The decision to participate in the General Meeting by means of electronic communication is made by the person calling the meeting. Only persons who are shareholders of the Company on the Registration Date have the right to participate in the General Meeting. Both the Management Board and Supervisory Board members have the

right to participate in the General Meeting. All information concerning the General Meeting of Shareholders of the

Company and documentation related to it is provided on the website of the Company.

## The powers of the General Meeting of Shareholders

The powers of the Company's General Meeting include in particular:

- selecting, dismissing and suspending members of the Supervisory Board,
- passing resolutions on determining the right to and the payment of a dividend, which shall be paid in the manner determined by the Management Board: the General Meeting may decide by resolution to exclude the Company's annual profit from distribution to the shareholders and leave it in the Company for the purposes of its operations.

Acquisition and disposal of real property, perpetual usufruct, share in real property or share in perpetual usufruct

by the Company shall not require a resolution of the General Meeting.

The subject matter of the Ordinary General Meeting should be:

- review and approval of the Management Board's report on the Company's operations and the financial statements for the previous financial year,
- adoption of a resolution on the distribution of profit or coverage of loss,
- granting a vote of approval to members of the Company's governing bodies for the performance of their duties.

## The rights of shareholders

Shareholders holding at least one-half of the share capital or at least one-half of all the votes in the Company may call the Extraordinary General Meeting of Shareholders, and in such case the shareholders shall appoint a chairperson of such meeting.

A shareholder or shareholders of the Company holding at least one-twentieth of the Company's share capital may:

- demand that certain issues be put on the agenda of the General Meeting,
- submit to the Company, before the date of the General

Meeting, in writing or using means of electronic communication, draft resolutions on the issues included in the agenda of the General Meeting or on the issues to be included in the agenda. In addition, each shareholder may, during the course of the Ordinary General Meeting of Shareholders, submit draft resolutions on the issues included in the agenda.

A shareholder who is a natural person may participate in the General Shareholders' Meeting and exercise their

voting rights personally or by proxy. A shareholder who is not a natural person may participate in the General Meeting and exercise their voting rights through a person authorized to make binding statements on their behalf, or by proxy.

A shareholder has the right to ask questions related to the issues on the agenda of the General Meeting. The Company's Management Board is obliged to provide shareholders with information concerning the Company during the meeting, if it is reasonable for the assessment of the issue in the agenda.

The Management Board refuses to provide information if it could be harmful to the Company, its related company or its subsidiary, in particular by disclosing technical, trade and organizational secrets of the enterprise. A shareholder who was refused to be informed during a General Meeting and who raised an objection to the minutes may apply to a registration court to obligate the Management Board to provide the information.

# Composition and changes in the management board

In 2022 there was no changes in the composition of the Echo Investment's Management Board. As at 31

December, 2022 and as at the day of this report, the Management Board acted in the following composition:

## Nicklas Lindberg

President of the Board,  
CEO



Nicklas was appointed CEO of Echo Investment in 2016. He is responsible for the strategy and development of the company. In 2021 Echo Investment acquired Archicom S.A., Wrocław-based development company, and Nicklas Lindberg become its Chairman of the Supervisory Board.

Since 2016 Echo Investment has significantly grown its scale of operation and pipeline. The launched Strategy of Profitable Growth transformed Echo Investment into pure developer operating in seven major Polish cities, as well as market leader in residential, office and retail real estate sectors. The Group started to design and build urban 'destination' projects, that combine all functions and are well-designed parts of

the cities, where people can live, work and spend their time. It has also started operating in flex office space (CitySpace) and rental apartments (Resi4Rent) segments. Within a scope of increasing presence in residential market, in 2021 Echo Investment acquired Archicom S.A., Wrocław-based development company.

Until 2015 Nicklas Lindberg was employed by Skanska Group, where he held several top positions, such as president of Skanska Commercial Development Europe (CDE), head of Skanska Property Poland, CFO and CEO of Skanska, Russia and a manager of residential development units in the Nordics. He graduated from the University of Lund in 2001.

## Maciej Drozd

Vice-President of the Board,  
CFO



Appointed as a vice-president of Echo Investment's board in 2015. Responsible for finance and back office operations. In 2021 Echo Investment acquired Archicom S.A., Wrocław-based development company, and he became its Vice-President of the Supervisory Board.

While introducing the Profitable Growth Strategy, he restructured the Echo Investment group. His tasks included changing the model of operation and financing of the Group - from the long-term owner of a portfolio of commercial real estate generating fixed income from rent, to a pure developer focused on fast capital turnover and generating high returns. As a result,

Echo Investment has been paying dividends on a regular basis since 2016. The company is also one of the largest bond issuers in the real estate sector.

He joined Eastbridge Group in 1995, initially as the financial director of the group's operational companies. Between July 2009 and June 2015 he was also the CFO and managing partner of Eastbridge Group. He studied philosophy, mathematics and management at the University of Warsaw and holds a master's degree in philosophy and a master's degree in management. Maciej also holds an MBA degree from the University of Illinois.

## Artur Langner

Vice-President of the Board



He became a management board member in June 2005 and was made a vice-president of the management board in 2008. Artur is responsible for the construction department of the Group.

He is a graduate of the faculty of civil engineering at the Kielce University of Technology. After finishing his studies he started working in the construction sector, where he gained experience in every stage of project construction. Artur started

working for Echo Investment in 1998 as a project manager. In 2000 he was appointed director of project preparation and later on he was promoted to director of the technical division.

## Rafał Mazurczak

Management Board Member



Rafał was appointed to the management board in 2016. He is responsible for Echo commercial properties department. Following Echo Investment's acquisition of Archicom S.A., Wrocław-based development company, he became its Member of the Supervisory Board.

He started his career at Echo Investment in 2000 as an office leasing manager. In 2007–2013 he was the leasing director of Echo Investment's office department. In 2013 he was appointed director of the office department. He co-created the development strategy of this part of Echo

Investment's business and was responsible for its implementation. He was also responsible for the construction, leasing and marketing of one of the company's flagship projects, Q22 skyscraper in Warsaw, along with Park Rozwoju and O3 Business Park in Kraków, A4 Business Park in Katowice, Tryton office building in Gdańsk as well as West Gate and Nobilis in Wrocław. In 2021 Echo Investment merged departments responsible for office and retail properties and Rafał Mazurczak took over responsibility for the newly created commercial properties department.

## Małgorzata Turek

Management Board Member



Appointed to the Management Board in 2019. Responsible for investment, divestment, permitting and projects' preparation. In 2021, following Echo Investment's acquisition of Wrocław-based development company Archicom S.A., she became its Member of the Supervisory Board.

She has over twenty years of experience in the real estate sector, working for both investment and development companies as well as international law firms. In 2017, she became president of the then newly formed Globalworth Poland Real Estate, where she was responsible for the organisation and development of a sustainable,

revenue-generating property portfolio, as well as the establishment of all key functions of the company. She also gained valuable experience at Skanska Property Poland, where in 2012-2017, as a board member (and chief operating officer), she was responsible for the company's transactions and operations. Previously, she worked for leading law firm Linklaters, where she specialised in transactions on the commercial real estate market. Małgorzata is a graduate of the faculty of law and administration of the Jagiellonian University in Kraków and a member of the Polish Bar Association.

# Description of principles regulating the appointment and dismissal of managerial staff and their rights

The Management Board of Echo Investment S.A. operates based on the Commercial Companies Code Act (J.L. of 2020, item 1526), the Company's Articles of Association, the Rules and Regulations of the Management Board of Echo Investment S.A., and according to the adopted "Code of Best Practice for WSE Listed Companies".

The Management Board or its Members are appointed, dismissed and suspended by the Supervisory Board, which also appoints the President and the Vice-Presidents of the Management Board. The term of office of the Management Board is three years, and Management Board members are appointed for a joint term of office, which does not preclude the right to dismiss a member of the Management Board earlier. Mandates of Members of the Management Board expire on the day of the GSM's approval of the financial statements for the last year of the Management Board's term of office.

The Management Board or its individual Members may be dismissed by the Supervisory Board before the expiry of their term of office, especially following a justified written motion of shareholders who represent at least 1/3 of the share capital, or if the Management Board's fulfilment of duties for the last closed financial year is not acknowledged by the Ordinary General Shareholders' Meeting.

The Management Board may consist of one or more persons. The Management Board represents the Company before officials, institutions, third parties, courts as well as public authorities. An appointed Proxy may act on behalf of the Company to the same effect. Declarations of intention, commitments and signing contracts and other

documents on behalf of the Company must be made jointly by: the President and the Vice-President of the Management Board; or two Vice-Presidents of the Management Board; or the President or the Vice-President together with Member of the Management Board; or the President or the Vice-President of the Management Board together with the Proxy. Management Board Members may only fulfil their duties in person.

The Management Board runs all current affairs of the Company, subject to restrictions specified by the Commercial Companies Code and the Article of Association.

The purchase and sale of real property, perpetual usufruct title or a share in real property or a share in perpetual usufruct title by the Company lies within the responsibilities of the Management Board, subject to § 16, section 2, letters b) of the Articles of Association.

When exercising the rights of the General Meeting in subsidiaries, the Company's Management Board is obliged to obtain a prior consent from the Company's Supervisory Board, even if the incurred liability or the exercise of a right by a subsidiary exceeds the limits specified in § 16, section 2, letters b) and c) of the Article of Association. According to this, a consent from the Supervisory Board is required for the Company to incur liabilities exceeding 10 percent of its equity, and in case of obligations within the scope of matters covered by the Company's day-to-day operations, the consent of the Supervisory Board is required if the value of the activity exceeds 20 percent of the Company's equity.

When deciding on the Company's issues, the Management Board is particularly obliged to act within the limits of reasonable economic risks, following an in-depth analysis and consideration of all available information, studies and opinions which, in the opinion of the Management Board, should be taken into consideration in the Company's interest. In addition, the Management Board submits motions regarding issues to be discussed by the General Meeting to the Company's Supervisory Board for approval.

Information on the produced opinions is announced to the public by the Company immediately after such information is received from the Company's Supervisory Board. When contacting the media, members of the Management Board may only provide generally available information about the Company. All statements for the media regarding financial forecasts and the strategy of the Company or of the Management Board may only be made by the President or the Vice-President of the Management Board. With regard to other issues, all members of the Management Board or other authorised persons are allowed to contact the media.

The Management Board meets at least once a month, the meetings are presided over by the President of the Management Board and, in his/her absence, by the Vice-President of the Management Board and, in the absence of the President and the Vice-President of the Management Board, the meetings are presided over by the longest-serving Management Board member of Echo Investment S.A. The meetings of the Management Board are held at the Company's office, unless all members of the Management Board agree to hold a meeting in a different location. A meeting of the Management Board may be held, if all members of the Management Board have been informed about the meeting, and at least two members of the Management Board are present. The meetings of the Management Board are convened by the President of the Management Board or by any other member of the Management Board who sees fit to do so. Every member of the Management Board must be informed about the date and agenda of the meeting at least 2 days prior to the planned meeting. The notification may be delivered by phone, through the Office of the Company's Management Board, by e-mail, by fax or in writing. The meetings of the Management Board may be held even when they have not been formally convened, if all members of the Management Board are present and no present member objects to the meeting being held or to specific items on the agenda. The Management Board may pass its resolutions in writ-

ing or using means of telecommunication, subject that, in such a case, the Management Board is presided over by the member requesting the adoption of a given resolution. This procedure is not allowed when at least one member of the Company's Management Board objects.

The Management Board makes decisions by way of resolutions. Resolutions of the Management Board are adopted by an absolute majority of votes. In the event of a tied vote when adopting resolutions by the Management Board, the President of the Management Board shall have the casting vote and, in the absence of the President of the Management Board, the Vice-President of the Management Board shall have the casting vote. In the absence of the President and the Vice-President of the Management Board, the longest-serving member of the Company's Management Board shall have the casting vote.

The resolutions of the Management Board are recorded in the minutes. The minutes shall contain the agenda of the meeting, the names of the members of the Management Board taking part in the voting and the number of votes cast for each resolution. The minutes shall also indicate the dissenting opinion of a member of the Management Board and the reasons for it, if any. The minutes shall be signed by at least the member of the Management Board chairing the meeting or managing the vote. The minutes are kept at the Office of the Company's Management Board.

The Management Board, when defining strategic objectives and current tasks, considers the best interest of the Company, its shareholders, partners, customers, employees and creditors, and observed the law. To ensure transparency and effectiveness of the management system, the Management Board followed the rule of professional conduct within the limits of reasonable economic risk, taking account of the wide range of the available information, analyses and opinions.

The remunerations of the Management Board Members were defined by the Supervisory Board, based on the responsibilities and skills of individual Management Board Members, and taking account into the Company's financial results, and a reasonable relation was maintained to remunerations of Management Boards in similar companies on Polish real property market.

# Composition of the Supervisory Board and its changes

In 2022 there was no changes in the composition of the Echo Investment's Supervisory Board. The Supervisory

Board, in 31 December, 2022 and as for the day of this report, acted in the following composition:

## Noah M. Steinberg

Chairman of the Supervisory Board



Wing Group's Chairman and Chief Executive Officer and also one of its owners. He has worked in Hungary since 1990. In his current position since the company's establishment in 1999, he has been responsible for all aspects of Wing's operations, including the company's integrated real estate investment and development activities in the office, industrial, retail, hotel and residential segments.

Noah was born in the USA, graduated from Princeton University (the Woodrow Wilson

School of Public and International Affairs, Princeton University) with a BA, and from the Diplomatic Academy of Vienna) with an MA. He speaks English, Hungarian, French, German and Spanish.

## Tibor Veres

Vice Chairman of the Supervisory Board



The majority owner of Wing Group. He is also the founder, together with his father, György Veres, of the legal predecessor of today's Wallis Group, which for several decades has been a leading investment firm on the Hungarian market. At present, he is the main owner of Wallis Group, the Chairman of its Board of Directors, he is also a Member of the Board of Directors at Graboplast and Wing Group. In addition to Wing, Wallis Group also includes Alteo Energy Services, which specialises in renewable energy production, AutoWallis, which

incorporates the automotive subsidiaries of Wallis Group, Graboplast floor manufacturing company, home improvement chain Praktiker, Sharenow, a leading car-sharing service company and Venturio, one of the most prestigious private investors in Hungary. Three of the companies he established are active on the Hungarian stock exchange as issuers of bonds and shares.

Tibor graduated with an MA in economics from the Moscow State Institute of International Relations in 1986.

## Margaret Dezse

Independent Member  
of the Supervisory Board



Former partner of Ernst & Young (EY) and PwC, having spent a total of 35 years at these firms. During that period, she was for 21 years a partner in transactions advisory and corporate finance, initially with PwC and for the final 11 years with EY.

As a chartered accountant, Margaret started out as an auditor in her home country of Canada. After moving to Hungary in 1989, her career quickly evolved from audit into privatisation and corporate finance. For more than 30 years, she has advised on hundreds of transactions and has assisted clients from a variety of industries on strategic and investment decision making.

In addition to leading the corporate finance and transactions advisory teams in Hun-

gary, Margaret has held different regional leadership roles in the CEE region, including establishing a corporate finance department in Ukraine. She is presently serving as an Independent Member of the Board of Directors and Chair of the Audit Committee of Masterplast Nyrt, as an Independent Board Member as well as a Member of the Advisory Board to the Management of Kometa Zrt, and as an Independent Member of the Supervisory Board and Audit Committee Member of CIB Bank, as well as Member of Intesa Sanpaolo Group. Margaret is also a Supervisory Board Member of social impact oriented venture capital fund Impact Ventures, and of the supervisory board of United Way Hungary.

## Sławomir Jędrzejczyk

Independent Member  
of the Supervisory Board



Sławomir has more than 20 years of experience working for Warsaw Stock Exchange listed companies. In 2008-2017, he was vice-chairman of the management board and CFO of PKN Orlen S.A., as well as vice-chairman of the supervisory board of Unipetrol a.s., a member of the management board of Orlen Lietuva, and a member of the board of directors of Orlen Upstream Canada. His main responsibilities have included implementing strategy geared towards increasing value, building capital market relations, providing financing, and increasing cash flows through operating excellence, divestments and projects aimed at improving working

capital levels. He has also been responsible for planning and reporting, business controlling, accounting, supply chain management, investor relations, M&A and IT. Sławomir has previously held the position of CEO of Emitel. He has also been employed by Telekomunikacja Polska, ORFE, Impexmetal and Price Waterhouse.

He graduated from the London Business School (senior executive programme) and the Łódź University of Technology's faculty of electronics and is also a member of the Association of Chartered Certified Accountants (ACCA).

## Maciej Dyjas

Member of the  
Supervisory Board



Managing Partner and co-owner of Griffin Capital Partners, the largest privately-owned investment and asset manager in private equity and real estate in the CEE region. Since their 2014 investment in the company, Griffin and its strategic partners have deployed some 2.8 billion EUR of equity into more than 20 deals. These investments have predominantly been in the realm of real estate platforms, technology, and consumer-related companies. Currently, Griffin co-owns and helps manage 13 companies, with a total Gross Asset/Enterprise value of some 5.7 billion EUR. Current investments are held with Griffin's strategic partners such as ARES, Oaktree,

PIMCO, Madison Realty, Bridgepoint, Redefine, Kajima, and Wing.

Maciej Dyjas' career started in consulting companies affiliated with Hewlett Packard in Germany and US. He then went on to become a co-investor/Partner, and subsequently Managing Partner and CEO at Eastbridge Group, an evergreen investment vehicle, majority owned by the Bruckner family. In tandem with his functions at Eastbridge, he held several executive and non-executive board positions controlled by the Group, including posts such as CEO of EMF, listed on the WSE, and CEO of DTH Capital in New York.

In 2014, the year he left the Eastbridge Group, the company held assets of over 3 billion USD in the retail, consumer goods, and real estate sectors in CEE, the EU, and the US.

Maciej is a Polish-German national. He obtained a Master's in Mathematics and Computer Science from the University of Warsaw, and subsequently pursued studies in business and psychology of management and communication in Stuttgart and Frankfurt.

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## Péter Kocsis

Member of the  
Supervisory Board



Wing's Deputy Chief Executive Officer responsible for strategy, risk and MIS-Data. He is responsible for the risk analysis and supervision of a portfolio of around 19 property SPVs with EUR 650 million of assets and an annual rental income of EUR 61 million. He is also responsible for supervising three real estate service provider subsidiaries with a total annual turnover of EUR 70 million, as well as for drawing up the strategy and business plans for a development portfolio valued at 1 billion

GDV. He is the Chief Risk Officer of Wing's real estate fund management company. In addition to these, Peter supervises digitalization, ESG transition and he is heavily involved in Wing's international activities.

Peter graduated from Corvinus University Budapest with an MA and subsequently completed postgraduate degrees at the University of Birmingham (MIS) and Georgetown University (MSFS). He speaks Hungarian, English and German.

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## Bence Sass

Member of the  
Supervisory Board



He is a senior real estate professional with more than 20 years of experience in commercial real estate. As a Deputy Chief Executive Officer at Wing Group, he is managing a team responsible for international business development and investment transactions. To date, he has been involved in transactions with an aggregate volume well exceeding EUR 1 billion. Prior to his current employment, he was a member of the UniCredit Bank's leading real estate financing team.

Bence graduated with a BA from the Budapest Business School and an MBA from the Budapest University of Technology and Economics.

He is a member of the Royal Institution of Chartered Surveyors (RICS). He speaks Hungarian, English and German.

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## Nebil Şenman

Supervisory Board Member  
Audit Committee Member



Managing Partner and co-owner of Griffin Capital Partners. Nebil Şenman held leading positions for nine years as Senior Vice President and Supervisory Board Member of Oaktree's German and Polish real estate funds, where he was involved in operations worth several billion Euro. Before joining Oaktree, he spent eight years handling real estate and corporate consulting at Ernst & Young Real Estate (formerly Arthur Andersen), where he held various managerial positions.

Nebil is a graduate of universities in Berlin (TU Berlin, EBS), Paris (ESCP Europe) and London (LSE), and holds an MBA and master's degree in Civil Engineering. He also holds a post-graduate diploma in real estate management (EBS) and is a Chartered Member of the Royal Institution of Chartered Surveyors, MRICS.

# Company's Supervisory Board

## — rules of operation

The Supervisory Board of Echo Investment S.A. is a body exercising constant supervision of the Company's current operations. It acts pursuant to the provisions of the Commercial Companies Code, the Articles of Association of the Company, the By-laws of the Supervisory Board of Echo Investment S.A., and in accordance with the adopted "Best Practices for WSE Listed Companies". The Supervisory Board is composed of at least 5 members who are appointed (and dismissed) by the General Meeting for a period of three years; members of the Supervisory Board are appointed for a joint term of office, which does not preclude an earlier dismissal of every member of the Supervisory Board.

The numerical strength and personnel of each Supervisory Board is established by a resolution of the General Meeting.

At least two members of the Supervisory Board should meet the criteria for independence from the Company and entities significantly related to the Company. The independent member of the Supervisory Board shall be deemed to be the member who jointly meets the independence criteria set forth in the Act of 11 May, 2017 on statutory auditors, audit firms and public oversight or regulations replacing it. The Independent Member of the Supervisory Board shall submit to the Company and the Chairperson of the Supervisory Board or their deputy a written statement on meeting the independence criteria. The Independent Member of the Supervisory Board shall immediately, but no later than within 5 business days after the date on which they ceased to meet the criteria of independence, notify the Company and the Chairperson of the Supervisory Board or their deputy that they no longer meet the criteria of independence. The Company holds documents related to Independent Members of the Supervisory Board.

If there are plans to appoint a member of the Supervisory Board who is to meet the independence criteria set forth in the applicable laws, the Shareholder presenting a candidate for the Supervisory Board member who meets the criteria shall be obliged to present such candidate to the Company at least 8 business days before the date of the General Meeting intended to appoint such candidate to the Supervisory Board, together with all the necessary

information concerning such candidate (and confirmed by the candidate in writing). If necessary, at the request of the Chairperson of the Supervisory Board, the Supervisory Board shall ensure the candidate's appearance (or their participation by tele- or videoconference) before or after the General Meeting at the time and place designated by the Chairperson of the Supervisory Board, in order to enable assessment of that candidate's compliance with the independence criteria. The members of the Supervisory Board may be re-appointed to the Supervisory Board.

If the General Meeting of Shareholders does not specify the function of a given member of the Supervisory Board at the time of appointment, the Supervisory Board shall elect the Chairperson of the Supervisory Board and the deputy from among its members by way of a secret ballot.

Member of the Supervisory Board fulfil their duties only in person. Members of the Supervisory Board delegated to constant and individual supervision may not, without the Company's consent, be involved in competitive business or participate in a competitive company as a partner in a civil law partnership, a partnership or as a member in a body of a capital company, or participate in another competitive legal person as a member of its bodies. This prohibition also includes participation in a competitive capital company in which a Supervisory Board member holds at least 10 percent of interests or shares, or has the right to appoint at least one management board member. Members of the Supervisory Board may be dismissed at any time by the General Shareholders' Meeting. A Supervisory Board member may resign his/her post before the expiry of the term of office for which he/she was appointed by submitting a statement to the Chairman of the Supervisory Board. If the Chairman of the Supervisory Board resigns his/ her post, the statement is submitted to the Vice-Chairman. A Member of the Supervisory Board should not resign during the term of office, if such a resignation could prevent the Supervisory Board from operating, and especially if it could prevent the adoption of an important resolution.

The mandate of a Supervisory Board member expires, at the latest, on the day of the General Meeting which

approves the Company's financial statements for the last full financial year in which the Supervisory Board member held his/her post (final year of the member's term of office). The mandate also expires up-on death or dismissal of a Supervisory Board member.

If, as a result of expiry of mandates of Supervisory Board members, the Supervisory Board is composed of fewer than 5 members, the Supervisory Board is unable to pass legally binding resolutions, and the Chairman of the Supervisory Board, or, in the absence of the Chairman, the Vice-Chairman, requests the Company's Management Board to promptly convene an Extraordinary General Meeting and to include the appointment of Supervisory Board members in the agenda of the General Meeting. A member of the Supervisory Board should be primarily concerned about the Company's interest.

When contacting the media, members of the Supervisory Board may only provide generally available information about the Company. Any statements for the media regarding the Company or the Supervisory Board may only be made by the Chairman of the Supervisory Board or a person appointed by him/ her.

The responsibilities of the Supervisory Board include supervision over the Company's business and other actions, as stipulated by the Commercial Companies Code and other acts. The Supervisory Board adopts resolutions or gives opinions on issues within its scope of responsibilities, according to the Company's Statute and under the procedure stipulated by the provisions of the Statute or other laws.

The Supervisory Board is authorised in particular, to:

- determination of the Supervisory Board bylaws and approval of the Management Board bylaws for assessment as to whether individual members of the Supervisory Board meet the independence criteria set forth in the applicable laws; such assessment may be performed both before and after the General Meeting which appoints a given member or members to the Supervisory Board;
- preparation of reports on remuneration received by members of the Management Board and members of the Supervisory Board during the financial year, in accordance with the remuneration policy adopted by the General Meeting,
- examine the Company's financial statements for the last financial year,
- examine the Company's Management Re-port and suggestions of the Management Board regarding the distribution of profit and the coverage of loss,
- submit a written report on the above actions to the General Meeting,
- express opinions on motions submitted by the Management Board directed to the General Meeting, and express opinion and pass resolutions on other issues submitted by the Company's Management Board,

- appoint, dismiss and suspend the Company's Management Board or its individual members,
- appoint or change of an auditor Company to audit the Company's financial statement with whom the Management Board concludes an agreement,
- assessment whether individual members of the Supervisory Board meet the independence criteria.

In addition to the issues reserved by the Commercial Companies Code, the prior consent of the Supervisory Board is required for:

- approve the Management Board's conclusion of the agreement with a sub-issuer referred to in Article 433 § 3 of the Commercial Companies Code,
- giving its consent to incurring liabilities and disposing of rights as regards issues included in the Company's current operations, if their value exceeds 20 percent of the Company's equity. In case of doubt on whether a given issue is included in the Company's current operations, the Supervisory Board shall be authorized, at the request of the Management Board, to interpret the issue in this respect. The interpretation shall be binding for the Management Board,
- approve the contracting of liabilities and disposing of the rights to the extent within the current business of the Company — if their value exceeds 10 percent of the Company's equity,
- payment to shareholders of an advance on the expected dividends proposed in the resolution of the Management Board,
- adoption of the annual budget and business plan for the Company and its subsidiaries prepared by the Board (the "Group Business Plan"),
- signing or cancelling any agreement between the Company or its subsidiary on the one hand and the members of the Management Board, the Supervisory Board or their related parties (within the meaning of International Accounting Standard 24 "Related Party Disclosures") on the other hand,
- changes in the accounting policy that have a significant effect on the separate or consolidated financial statements of the Company, except for changes required by the auditor of the Company or its subsidiary or resulting from changes in the applicable laws (Polish accounting principles or International Financial Reporting Standards),
- exercising by the Company or a Subsidiary, as a shareholder or member of its Subsidiary, of voting rights at the General Meeting or Shareholders' Meeting of the Subsidiary with respect to the issues referred to in § 16.2(a)-(c), (f) and (g) of the Articles of Association; for the purposes of this section, references to the Company and the members of the Management Board referred to in the sections indicated above shall be interpreted as references to the Subsidiary and the members of the Management Board of the Subsidiary, respectively.

The issues related to real estate trade fall within the scope of the Company's current business operations.

If it is uncertain whether a given issue has been included in the current business of the Company, the Supervisory Board is entitled to make a relevant interpretation in this respect, at the request of the Management Board. The interpretation shall be binding for the Management Board. Issues related to trade in real estate are within the scope of the Company's current business.

The meetings of the Supervisory Board are held as necessary but at least once every quarter per financial year. The meetings of the Supervisory Board are convened by the Chairman or the Vice-Chairman and are held in the Company's office or in a location indicated by the Chairman or the Vice-Chairman. The meetings of the Supervisory Board are convened upon the initiative of the Chairman of the Board or at a written request of the Management Board or a member of the Supervisory Board. The meetings of the Supervisory Board convened at the request of the Management Board or a member of the Supervisory Board must be held within two weeks from the date of submitting the request, but no earlier than on the third day after receiving such request by the Chairman of the Supervisory Board. The meetings are presided over by the Chairman and, in his/her absence, by the Vice-Chairman of the Supervisory Board. If neither the Chairman nor the Vice-Chairman of the Supervisory Board is present at the meeting, the meeting is presided over by the Board member appointed by the present attendees. The Supervisory Board may hold a meeting without being formally convened, if all of its members are present, and no member objects to the meeting being held and to including specific items in the agenda. The meetings of the Supervisory Board may be attended by other persons invited by the Chairman of the Supervisory Board, including Members of the Management Board with the right to advise.

The members of the Supervisory Board make decisions related to the exercise of supervisory and control rights by way of resolutions. All Members of the Supervisory Board must be invited to the meeting and at least 50 percent of the Members must be present at the meeting or otherwise the resolutions of the Supervisory Board are null and void. The Supervisory Board may pass resolutions in writing. The Supervisory Board resolutions may be passed in writing under the condition of signing the resolution by each Supervisory Board Member under the same copy of the resolution draft or on separate copies, and informing all Supervisory Board Members about the content of the draft resolution by sending it via post, including post courier, fax or e-mail on the address indicated by the Supervisory Board Member.

In such a case, for the resolutions to be valid, the Supervisory Board members must be notified in advance about the draft resolutions. Resolutions of the Supervisory Board are adopted by an absolute majority of votes. In case of a tied vote when adopting resolutions by the Supervisory Board, the Chairman of the Supervisory Board shall have the casting vote.

Resolutions of the Supervisory Board are recorded in the minutes in such a way so that they form attachments to the minutes, or are included in the text of the minutes. The minutes shall contain the agenda of the meeting, the names of the members of the Management Board taking part in the voting and the number of votes cast for each resolution. The minutes shall also indicate the dissenting opinion of a member of the Management Board and the reasons for it, if any. The minutes shall be signed by at least the member of the Management Board chairing the meeting or managing the vote.

In order to perform its duties, the Supervisory Board may examine all documents of the Company, review the Company's assets and request the Management Board, proxies and persons employed by the Company under an employment contract or performing certain activities for the Company on a regular basis under a contract for specific work, a contract of mandate or any other contract of a similar nature to prepare or submit any information, documents, reports or explanations related to the Company, in particular its activities or assets. Information, reports or explanations held by a body or obliged person regarding subsidiaries and associated companies may also be requested.

The Supervisory Board has the right to submit motions to the General Meeting regarding all issues within its scope of tasks and responsibilities.

The Supervisory Board performs its duties collectively. However, it may, by way of a resolution, appoint from among its members permanent or temporary teams, committees or commissions to perform specific tasks, acting as collective advisory and opinion-forming bodies of the Supervisory Board. The Company's Supervisory Board has appointed the Audit Committee and the Investment Committee. The subject matter and procedures of these committees are set out in their bylaws adopted by the Supervisory Board.

The Supervisory Board may adopt resolutions at meetings, but also by correspondence, in compliance with the Articles of Association and the adopted By-laws of the Supervisory Board. In connection with the pandemic, resolutions of the Supervisory Board were adopted by correspondence and in majority they were adopted by all members of the Supervisory Board, there were exceptional cases of resolutions passed by a majority of votes, in compliance with the applicable laws.

The secretarial services include: preparing invitations to the meetings of the Supervisory Board and sending them to the members of the Supervisory Board according to these rules and regulations, organising the premises where the meeting of the Supervisory Board is to be held, preparing minutes from the meeting, providing services during the meeting and archiving the Supervisory Board's documentation.

# Composition of the Audit Committee and its changes

In 2022 there was no changes in the composition of the Audit Committee. As at 31 December, 2022 and as at the date of publication of the report, independent members of the Supervisory Board constitute the majority of the Audit Committee.

## The company's Audit Committee



on 31 December, 2022  
and as for the day of this report:

**Margaret Dezse** — Chair,  
**Sławomir Jędrzejczyk** — Vice-Chairman,  
**Nebil Şenman** — Member of the Audit Committee.

In 2022, the Audit Committee held four meetings aimed at the implementation of the tasks entrusted to it, such as analyzing the Company's financial statements, assessing the risk management system, assessing the effectiveness of the internal control system, compliance and current events in the Company. Minutes were drawn up of the course of these meetings.

## Independent board members and individuals with knowledge and skills in the field of accounting and real estate

**Margaret Dezse** meets the statutory independence criteria and has knowledge and skills in accounting and auditing of financial statements.

She spent 35 years working for Ernst & Young (EY) and PwC. During that period, she was for 21 years a partner in transactions advisory and corporate finance. As a chartered accountant, Margaret started out as an auditor in Canada. After that she worked into privatisation and corporate finance in Hungary. She has advised on hundreds of transactions and has assisted clients from a variety of industries on strategic and investment decision making.

Margaret is presently serving as an Independent Member of the Board of Directors and Chair of the Audit Committee of Masterplast Nyrt, as an Independent Board Member as well as a Member of the Advisory Board to the Management of Kometa Zrt, and as an Independent Member of the Supervisory Board and Audit Committee Member of CIB Bank, as well as Member of Intesa Sanpaolo Group. Margaret is also a Supervisory Board Member of social impact oriented venture capital fund Impact Ventures, and of the supervisory board of United Way Hungary.

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**Sławomir Jędrzejczyk** meets the statutory independence criteria and has knowledge and skills in accounting and auditing of financial statements.

Sławomir has more than 20 years of experience working for Warsaw Stock Exchange listed companies. He was vice-chairman of the management board and CFO of PKN Orlen S.A., vice-chairman of the supervisory board of Unipetrol a.s., a member of the management board of Orlen Lietuva, and a member of the board of directors of Orlen Upstream Canada. He has been responsible for planning and reporting, business controlling, accounting, supply chain management, investor relations, M&A and IT. He has also been employed by Telekomunikacja Polska, ORFE, Impexmetal, Price Waterhouse and Emitel, as CEO. He graduated from the London Business School (senior executive programme). A member of the Association of Chartered Certified Accountants (ACCA).

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**Nebil Şenman** has knowledge and skills in the field of real estate and construction.

Managing Partner and co-owner of Griffin Capital Partners. Nebil Şenman held leading positions for nine years as Senior Vice President and Supervisory Board Member of Oaktree's German and Polish real estate funds, where he was involved in operations worth several billion euro.

Nebil is a graduate of universities in Berlin (TU Berlin, EBS), Paris (ESCP Europe) and London (LSE), and holds an MBA and master's degree in Civil Engineering. He also holds a post-graduate diploma in real estate management (EBS) and is a Chartered Member of the Royal Institution of Chartered Surveyors, MRICS.

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## The responsibilities of the Audit Committee

The Audit Committee shall consist of 3 members appointed by the Supervisory Board from among its members. The Supervisory Board also appoints the Chairperson and the Vice-Chairperson of the Audit Committee. The majority of the members of the Audit Committee, including the Chairperson of the Audit Committee, should meet the conditions of independence specified in the Act on Statutory Auditors or the regulations replacing it. At least one member of the Audit Committee shall have knowledge

and skills in the field of accounting or financial statements auditing. The members of the Audit Committee shall have knowledge and skills in the industry in which the Company operates, and this condition shall be considered fulfilled if at least one member of the Audit Committee has knowledge and skills in the industry in which the Company operates, or individual members have knowledge and skills in specific scopes in this industry.

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## Investment Committee

Investment Committee is responsible for the ongoing evaluation of the activities in the field of purchasing and selling assets, financing plans, the asset sales strategy development and the implementation of investment plans based on the approved annual budget.

In 2022, there were no changes in the company's Investment Committee.

### The company's Investment Committee

on 31 December, 2022  
and as for the day of this report:

**Noah M. Steinberg** — Chairman  
**Maciej Dyjas,**  
**Péter Kocsis,**  
**Bence Sass,**  
**Nebil Şenman.**



# Echo Investment S.A. shareholding structure and shareholders' rights

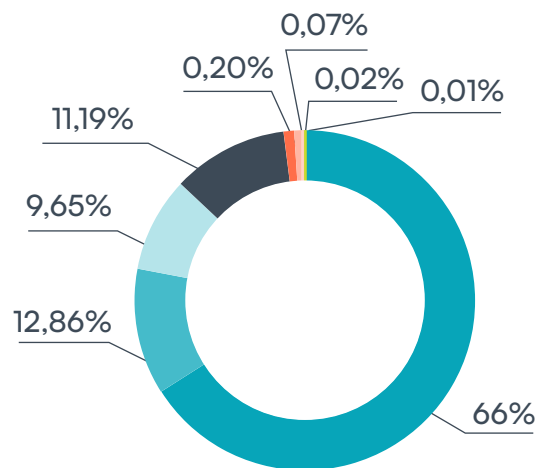
## Shareholders of Echo Investment S.A. as at 31 December 2022

Number of shares:	
272,375,784	— Lisala Sp. z o.o. (Wing IHC Zrt with Griffin Capital Partners)
53,062,355	— Nationale-Nederlanden OFE
39,809,348	— Allianz Polska PTE
845,622	— Nicklas Lindberg — CEO
291,065	— Maciej Drozd — CFO
94,192	— Péter Kocsis — Member of the Supervisory Board
50,000	— Bence Sass — Member of the Supervisory Board
46,162,216	— others

The share capital of Echo Investment S.A. is divided into 412,690,582 ordinary bearer shares of A, B, C, D, E and F series. All issued shares are equal in terms of its rights and obligations, i.e. they are shares of the same type and incorporate the same rights and obligations.

The Company's share capital, i.e. the nominal value of all the shares,

amounts to PLN 20,635 thousand, and it was paid in cash. The nominal value of one share is PLN 0.05. The number of shares equals the number of votes at the General Meeting of Shareholders. The securities issued by Echo Investment S.A. do not provide their owners with any special controlling powers. Echo Investment S.A. does not have any information on limitations in exercising the voting



right or transferring ownership rights by owners of its securities.

The shareholding structure information is based on notification from shareholders and information of open pension funds (OFE) stock ownership as at 13 December 2022.

## About the major shareholder

**WING**

Wing is a leading real estate developer and investor in Hungary with a significant presence in the regional real estate market. Since its establishment in 1999, the company has developed 1.2 million square meters of real estate in Hungary. Wing is active in all market segments, including office, industrial, retail, hotel and residential development. As one of the largest privately owned real estate companies in Hungary, WING develops world-class landmark buildings that define the cityscape of Budapest. The com-

pany's latest developments include the new headquarters of Magyar Telekom and T-Systems - the country's most modern and largest new office building -, the Danube headquarters of Ericsson and Siemens-evosoft, the BB Hotel Budapest City and the Kassák Residence, Metropolitan Garden and Park West residential projects. Wing also plays a key role in the Central and Eastern European real estate market.

In 2022, the auditing company of Echo Investment S.A. was PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp.k. with its registered office in Warsaw.

In 2022, PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp.k. performed for Echo Investment S.A. permitted non-statutory audit services - additional audit of the standalone financial statements for the six months of 2022. The Audit Committee previously assessed the independence of the audit firm and gave its consent to the provision of these services.

The company has “Policy of Appointing an Audit Firm” and “Non-Audit Services Purchase Policy”. The main assumptions of the “Policy of Appointing an Audit Firm”:

- limiting the duration of cooperation with one audit company to a maximum of 5 years,
- the obligation to select a new audit firm for the Parent Entity no later than 30 October of the year preceding the financial year which is the subject of the audit,
- identification of those bodies responsible for selecting the audit firm for the parent company and companies from the group,

- detailed tender procedure when selecting an audit firm,
- detailed procedure for extending cooperation with an auditing company.

The main assumptions of the “Policy for the purchase of non-audit services”:

- determining the scope of services covered by the policy,
- specification of premises indicating a threat to the independence of a statutory auditor or audit firm,
- specifying the catalogue of prohibited services and permitted services,
- the procedure for terminating contracts with the audit firm selected for the audit of financial statements,
- limitations on the value of purchased services.

The recommendation regarding the selection of an audit firm to conduct the audit complied with the applicable legal requirements. The selection of auditing company was made following a relevant procedure organized by Echo Investment S.A. that complies with applicable policies.

**Nicklas Lindberg**

President of the Board, CEO

**Maciej Drozd**

Vice-President of the Board, CFO

**Artur Langner**

Vice-President of the Board

**Rafał Mazurczak**

Member of the Board

**Małgorzata Turek**

Member of the Board



The document is signed with qualified electronic signature

Kielce, 28 March, 2023

# Contact

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**ECHO**  
investment