

Representation on the application of corporate governance principles by Dino Polska S.A. published in FY2017 Annual Report

Dino as a company listed on the regulated market run by the Warsaw Stock Exchange is subject to the corporate governance principles defined in the document entitled Best Practices of WSE Listed Companies 2016. This document is available on the Stock Exchange's website (<http://www.gpw.pl>) in the section devoted to issues concerning corporate governance in listed companies.

The Best Practice of WSE Listed Companies 2016 is a set of recommendations and rules of proceeding concerning in particular the governing bodies of listed companies and their shareholders. If a principle is not permanently implemented by a listed company or it has been incidentally breached, the listed company is obligated to notify that fact in the form of the current report. Moreover, a listed company is obliged to attach to the annual report a report containing information on the scope of its application of the Best Practice of WSE Listed Companies 2016 in a given financial year.

Dino observes most of the recommendations and standards included in the Best Practice of WSE Listed Companies 2016, except for the following:

- Detailed standard I.Z.1.3. – to the extent it refers to the division of duties and responsibilities among members of the management board drawn up according to standard II.Z.1.
The standard is not applied in connection with the fact that the Company does not apply detailed standard II.Z.1.
- Detailed standard I.Z.1.8. – to the extent it refers to the tables containing the company's financial highlights for the most recent 5 years of business in a format facilitating data processing by the recipients thereof,
Dino intends to present the data for the last 5 years of its operation in a format facilitating data processing by the recipients thereof, however due to the restatement of the consolidated financial statements into IFRS-compliant in 2016, as a result of which the financial statements are no longer prepared in accordance with the Polish Accounting Standards, in the initial period financial data for all the available years will be posted on the Company's website, however for a period shorter than 5 years, in accordance with the Consolidated Financial Statements.
- Detailed standard I.Z.1.20 – to the extent it refers to an audio or video recording of the shareholder meeting.
The Company notes that if the shareholders: (i) show interest in audio or video recordings of the Shareholder Meeting, and (ii) notify the Company of such interest then the Company will comply with the shareholders' expectations in this respect and will publish an audio or video recording of the shareholder meeting on its website.
- Recommendation II.R.2 – to the extent it refers to diversity of the corporate bodies in terms of gender.
The Company does not ensure an equal participation of women and men in the Management Board or the Supervisory Board. As at the Report Date, the Management Board consists of two people and the Supervisory Board consists of six people and none of them are women. The Company supports this recommendation and has a policy in place under which the Company employs competent, creative individuals with appropriate professional experience and education. At the same time, the Company has no effect on the composition of its corporate bodies.
- Detailed standard II.Z.1. – to the extent it refers to the internal division of responsibilities for individual areas of the company's operation among members of the management board.
The Company does not have in place a formal division of duties and responsibilities among Management Board members. The Company believes that such a solution is appropriate and adequate to the current stage of development and scale of the Company's operations and ensures effective management.
- Recommendation IV.R.2. - to the extent that it refers to shareholders' participation in shareholder meetings using IT tools, in particular bilateral mutual real-time communication, participating in

discussions during the meeting for shareholders who are physically absent at the venue of the shareholder meeting.

The Company points out that providing the necessary technical infrastructure will require costs and other resources of the Company that are disproportionate to the potential interest of its shareholders. Therefore, the Company does not plan to conduct a shareholder meeting using electronic means of communication.

- IV.Z.2. - to the extent it relates to the provision of publicly available broadcasts of shareholder meetings in real time.

The Company does not plan to broadcast the shareholder meeting in real time because of the additional costs and organizational resources it would have to devote to this undertaking. Nevertheless, the Company will consider transmitting the Shareholder Meeting in real time, if this is requested in the future by the shareholders.

Furthermore, in reference to recommendation I.R.2. Dino reports that it does not conduct any sponsoring activity. Charitable activity is conducted by the Dino Najbliżej Ciebie Foundation, which as of October 2015 holds the status of a public benefit organization. The Foundation's objective is to provide selfless assistance especially to the needy, in particular sick people and children.

A formal diversity policy does not function in the Company. The Shareholder Meeting and the Supervisory Board select members of the Supervisory Board and of the Management Board, respectively, based on their skills and experience, regardless of age, gender, education and other attributes. The Management Board is guided by these very same criteria when it makes staffing decisions concerning key managers. The Company does its utmost to ensure that all employees have equal opportunities in terms of professional development and promotions.