

- All candidates have an impeccable professional and personal reputation, which implies, among other things, that they have never faced any criminal prosecution in the present or in the past.
- The Board of Directors will include 1 executive director, which is consistent with the recommendations of the Corporate Governance Code.
- The Board of Directors will include 2 independent directors, comprising 15% of the Board members, which is less than the proportion recommended by the Code of Corporate Governance.
- The Board of Directors will be sufficiently balanced in terms of gender and age.

The Committee prepared the appropriate recommendations on matters that require the submission of recommendations to the Board of Directors.

The Committee fully performed the tasks it was assigned over the reporting period.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In accordance with the recommendations of the best corporate governance practices, the Board of Directors conducts an annual analysis and assessment of the effectiveness of its performance by evaluating all the areas of the Board's activities.

Per the decision of the Board's Human Resources and Remuneration Committee dated 27 September 2010, the Committee conducts an annual internal assessment of the effectiveness of the activities performed by the Company's Board of Directors in the form of a survey (questionnaire). The questionnaire includes approximately 30 questions about the main areas of activities: members, work structure, procedures of the Board of Directors and an assessment of the work performed by the Chairman of the Board, Committees and the Secretary of the Board of Directors, the level of interaction within the Board of Directors and other issues.

The analysis of the Board's performance over the reporting period revealed improvements in the following areas: identification of strategic priorities, interaction with executive management, balanced membership and the functioning of the Committees under the Board of Directors. In addition, issues falling into zones of development based on the assessment results included the increased awareness of members of the Board of Directors, including the timely provision of information and improvements to communication channels with management and other individuals.

INDUCTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS

In order to support the effective work of the Board of Directors, the Human Resources and Remuneration Committee employs the Programme on the Induction of Newly Elected Members of the Board of Directors.

The objectives of the Programme are to introduce newly elected members of the Board of Directors to the Company's production, financial and business activities and corporate governance practices as quickly and effectively as possible.

The Programme provides for the following measures:

1. A meeting with the Chairman of the Board of Directors and discussion of the Board's work plan and the priorities in the Company's activities; determining the future role of each director on the Board in accordance with the director's professional knowledge and experience.
2. A meeting with representatives of senior management, the provision of basic information about the Company's activities, discussion of the Company's operational and financial structure and introduction to the members of the Management Board.
3. Consultations with the Secretary of the Board of Directors: the Secretary shall describe the procedural and legal aspects of the activities performed by the Board of Directors and its committees and explain the rights and duties of Board members, matters concerning the payment of remuneration and compensation as well as their responsibilities and liability insurance.
4. Review of the Company's main documents, guidelines for Board members and a description of the main business matters, internal procedures and the organisational management of the Board of Directors and its committees.
5. The Programme may also include such measures as visits to the Company's fixed assets, participation in the Company's public activities and meetings with key management personnel.

The Human Resources and Remuneration Committee monitors the implementation of the Programme.

No new members were elected to the Board of Directors in 2017.