

## **Appendix 1 to Resolution No. 12/2024 of the Supervisory Board of INTER CARS S.A. of 26 April 2024**

### ***Report of the Supervisory Board of Inter Cars S.A. on its activities in 2023***

*including the assessments prepared in accordance with Best Practice for GPW Listed Companies 2021*

Acting pursuant to Art. 382.3 and Art. 382.3<sup>1</sup> of the Commercial Companies Code, the Supervisory Board of Inter Cars S.A. of Warsaw (the “**Company**”) hereby submits to the General Meeting a report on the Supervisory Board’s activities in the period **from 1 January 2023 to 31 December 2023**, including the assessments prepared in accordance with Best Practice for GPW Listed Companies 2021 (the “**GPW Best Practice**”).

#### **I. Activities of the Supervisory Board and its committees in 2023**

##### **1) Composition of the Supervisory Board and its committees**

As at 1 January 2023, the composition of the Company’s Supervisory Board was as follows:

- 1) Andrzej Oliszewski – Chair of the Supervisory Board;
- 2) Jacek Podgórski – Independent Member of the Supervisory Board;
- 3) Radosław Kudła – Independent Member of the Supervisory Board;
- 4) Tomasz Rusak – Member of the Supervisory Board;
- 5) Piotr Płoszajski – Member of the Supervisory Board;
- 6) Jacek Klimczak – Member of the Supervisory Board.

In the reporting period, the composition of the Supervisory Board did not change.

Currently, there are at least two members on the Supervisory Board who meet the criteria of independence from the Company and entities with significant links to the Company pursuant to Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, the relevant criteria specified in the GPW Best Practice, and the independence criteria specified in Art. 129.3 of the Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017.

Since 25 September 2017, there has been an audit committee operating within the Supervisory Board in compliance with Art. 128 and Art. 129 of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (the “**Audit Committee**”).

As at 1 January 2023, the Audit Committee consisted of the following Supervisory Board members:

- 1) Radosław Kudła – Chair of the Committee (independent member of the Supervisory Board);
- 2) Andrzej Oliszewski – Member of the Committee;
- 3) Jacek Podgórski – Member of the Committee (independent member of the Supervisory Board).

In the reporting period and as at the date of authorisation of this report, the composition of the Audit Committee did not change.

The Audit Committee operates within the Supervisory Board and is appointed to supervise the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, and to monitor the performance of financial audit activities.

##### **2) Meetings of the Supervisory Board and its committees**

In the reporting period, the Supervisory Board held four meetings, during which it adopted resolutions required under the applicable laws and regulations, and took positions on matters included in the agenda of the meetings. The meetings were held on 12 May, 16 June, 16 September and 8 December. At the meeting on 8 December five out of the six members of the Supervisory Board were present, while at the other meetings all of the Supervisory Board members were present. The Supervisory Board meetings were also attended by members of the Management Board and other representatives of the Company, which enabled the Supervisory Board to obtain comprehensive answers and explanations on matters covered by the respective agendas. The Supervisory Board was also kept informed, by email, of all material aspects of the

Company's operations. Furthermore, the Supervisory Board was provided with all requested information and materials prepared by the Company's Management Board.

During the meetings, the Supervisory Board passed a number of resolutions, including resolutions approving the Directors' Report on the Company's operations in 2022 and the Company's and the Group's financial statements for 2022, a resolution approving the amendment of the Rules of Procedure for the Audit Committee of the Supervisory Board and adoption of their consolidated text, and a resolution to appoint a Management Board member. Moreover, in the reporting period, the Supervisory Board passed ten resolutions by written ballot, which concerned the commencement of a tender procedure to select an audit firm, consideration of the audit firm's request to change the audit fee, approval of the selection of an audit firm for the Group's Key Entity, approval of the acquisition of property by the Company, approval of the execution of an annex to a lease contract, selection of an audit firm, approval of the selection of an audit firm for the Group's Key Entity, approval of the acquisition of property by the Company, approval of the selection of an audit firm for the Group's Key Entity, and approval of the information on the implemented tax strategy for 2022. Over the reporting period, the Supervisory Board passed a total of 32 resolutions.

During the meetings, the Supervisory Board also discussed other material matters as presented thereto by the Management Board, including sales performance, sales growth (including growth in export sales), the Company's and the Group's financial position in Poland and abroad, and the Group's financial performance. In addition, the Audit Committee reported to the Supervisory Board, keeping it informed of the Committee's activities and of its recommendations and assessments regarding tasks and activities performed by the internal audit unit.

In the reporting period, the Audit Committee held seven meetings: on 17 March, 27 March, 26 April, 16 May, 23 May, 5 September, 22 September and 8 December.

In the reporting period, the Audit Committee performed the audit committee tasks laid down in applicable laws. Matters discussed during the Audit Committee meetings included: (i) activities of the internal audit function in 2023, including in particular issues related to the manner in which it performs its responsibilities, the internal audit department's priority tasks and high risk areas, and progress on delivery of different tasks specified in the internal audit plan; (ii) progress in the auditor's work; (iii) the Company's and the Group's financial performance; (iv) performance of the internal audit budget and plan in 2022, together with other activities; (v) the progress on implementing recommendations from prior audits at the Group; and (vii) certain compliance-related matters. At its meetings, the Audit Committee passed a number of resolutions, including a resolution to adopt the internal audit plan and budget for 2023 and a resolution to adopt a recommendation upon assessment of the Company's and the Inter Cars Group's financial statements for 2022 and the Directors' Reports on the Company's and the Group's operations in the financial year 2022.

In 2023, the Audit Committee conducted a tender procedure to select an audit firm in accordance with the Policy and Procedure for Selecting an Audit Firm to Audit Financial Statements. At the meeting held on 23 May 2023, the Audit Committee approved a report on the procedure conducted to select an audit firm and passed a resolution to accept the recommendation on the selection of an audit firm to audit the financial statements of Inter Cars S.A. and the key entities of the Inter Cars Group for 2023 and 2024.

In 2023, the Audit Committee also gave its consent to each instance of provision of permitted non-audit services by the audit firm or members of its network.

Additionally, in the reporting period, the Audit Committee passed two resolutions outside of a meeting, which concerned: (i) approval of the change in monthly remuneration of the Internal Audit Director, (ii) acceptance of a recommendation concerning appoint an audit firm for the Key Group Entity. In the reporting period, the Audit Committee passed a total of 16 resolutions.

### **3) Information on the performance of the obligations under the Commercial Companies Code, other laws and regulations, and the Company's Articles of Association**

In the reporting period, the Supervisory Board exercised ongoing supervision over the Company's activities in each area of its business, remaining in direct contact with the Management Board. The Supervisory Board assessed, among other things, the Company's economic standing, financial liquidity and ability to settle liabilities. The Supervisory Board also considered opportunities and methods for the Company's

further development. As part of the supervision over the Inter Cars Group, the Supervisory Board analysed development prospects and current financial results of the Group companies. The Supervisory Board gave its opinions on the Group's draft business plans, budgets and strategic objectives,

analysed the management methods and current financial condition of the Company, and discussed the implementation and delivery of the budget and material projects. The Supervisory Board also reviewed the findings of internal audits performed in selected areas of the Company's and the Inter Cars Group's operations.

Pursuant to Art. 90g.1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, to Art. 14.1 of the Company's Articles of Association and to the *'Remuneration Policy for Members of the Management Board and Supervisory Board of Inter Cars S.A. of Warsaw'*, the Supervisory Board adopted the Report on the Remuneration of Members of the Management Board and Supervisory Board of Inter Cars S.A. for 2022 and submitted it to the General Meeting, asking that the latter provide an opinion on the Report.

Within the prescribed deadline, the Supervisory Board assessed the Directors' Reports on the Company's and the Inter Cars Group's operations in 2022, the Management Board's proposal on the distribution of net profit for 2022, as well as the separate and consolidated financial statements for the financial year 2022, and submitted a written report on the results and findings of its assessment to the General Meeting.

The Supervisory Board also adopted a brief assessment of the Company's standing in accordance with the corporate governance policy applied by the Company.

In the reporting period, the Supervisory Board did not exercise its powers under Art. 383 of the Commercial Companies Code, i.e. it did not suspend, for good reason, any or all members of the Management Board, nor did it delegate Supervisory Board members to temporarily perform the duties of Management Board members.

The Supervisory Board operates in accordance with the corporate governance rules set out in the GPW Best Practice. In 2023, there were no instances of non-compliance of the Supervisory Board with the corporate governance policy applied by the Company.

#### **4) Assessment of the discharge by the Management Board of its obligation to report information to the Supervisory Board**

The Supervisory Board was updated by the Management Board on the Company's situation on an ongoing basis, including on the situation of its subsidiaries and other related parties to the best of the Management Board's knowledge. Also, in order to bring the Company's Articles of Association in line with the amended Commercial Companies Code, which entered into force on 13 October 2022 pursuant to the Act Amending the Commercial Companies Code and certain other acts, dated 9 February 2022 (Dz.U. of 2022, item 807), the General Meeting resolved to amend the Articles of Association so as to specify how the Management Board is required to discharge its reporting obligations. In accordance with the amendments, the scope of periodic information to be provided by the Management Board under Art. 380<sup>1</sup> of the Commercial Companies Code is determined by the Supervisory Board. This ensures that the Supervisory Board only receives information that it actually needs.

In view of the foregoing, the Supervisory Board assesses that the Management Board duly discharged its reporting obligations under Art. 380<sup>1</sup> of the Commercial Companies Code.

As the scope of information and reports submitted by the Management Board was sufficient, the Supervisory Board did not exercise its power to request additional information, documents, reports or clarifications from the Management Board under Art. 382.4 of the Commercial Companies Code.

In 2023, the Supervisory Board did not exercise its power to have, at the Company's expense, a third-party advisor (advisor to the Supervisory Board) examine a specific aspect of the Company's business or assets or prepare an analysis of or expert opinion on a related matter under Art. 382<sup>1</sup> of the Commercial Companies Code.

## 5) Assessment of work of the Supervisory Board

In the financial year from 1 January 2023 to 31 December 2023, the Supervisory Board, acting conscientiously and with due diligence, performed its duties stipulated in the Articles of Association and the Rules of Procedure for the Supervisory Board.

The role of the Supervisory Board is to exercise ongoing supervision over the Company's activities in each area of its business, in accordance with the Commercial Companies Code, the Company's Articles of Association and the Rules of Procedure for the Supervisory Board adopted by the General Meeting. Other key objectives of the Supervisory Board's efforts are to supervise the Company's Management Board and monitor its activities, and to ensure stability of the Company, its controlled development and strengthening of its market position.

Taking into account the work and involvement of the Supervisory Board, and based on the findings discussed above and the Supervisory Board's general activity in 2023, the Supervisory Board is of the opinion that in the reporting period it fulfilled its statutory duties in a proper manner and for the benefit of the Company, in line with best market practices. In 2023, the Supervisory Board exercised effective and efficient supervision over the Company, and its cooperation with the Management Board was good and properly organised. Therefore, we move that the members of the Supervisory Board be granted discharge from liability in respect of their duties in the reporting period.

### II. Results of the assessment of the Company's financial statements for 2023, the Directors' Report on the Company's operations in 2023, and the Management Board's proposal on the distribution of the Company's net profit for 2023

This assessment of the Company's financial statements for 2023, the Directors' Report on the operations of the Inter Cars Group in 2023, prepared together with the Directors' Report on the operations of the Company in 2023, and the Management Board's proposal regarding distribution of the Company's net profit for 2023 as well as the results of this assessment have been prepared in accordance with Art. 382.3 and Art. 382.3<sup>1</sup> of the Commercial Companies Code, for submission to the General Meeting, and include the Supervisory Board's assessment of the separate and consolidated financial statements of Inter Cars S.A. and the Inter Cars Group for the year ended 31 December 2023, and the Directors' Report on the operations of the Inter Cars Group in the year ended 31 December 2023, prepared together with the Directors' Report on the operations of Inter Cars S.A., in terms of their completeness, accuracy and consistency with the underlying accounting records and supporting documents, as adopted by the Supervisory Board's Resolution No. 3/2024 of 24 April 2024. This document also includes the report on the assessment of the consolidated financial statements of the Inter Cars Group for 2023.

The Directors' Report on the operations of the Inter Cars Group in the financial year 2023, prepared together with the Directors' Report on the operations of the Company in 2023, as well as the separate and consolidated financial statements, contain all necessary information on the operations of the Company and its Group in the financial year, and the Supervisory Board gives a favourable assessment of the reports and financial statements. In the opinion of the Supervisory Board, the Company's financial statements and periodic reports are prepared in accordance with applicable laws and the accounting policies applied by the Company.

The financial statements have been audited in accordance with applicable laws by an independent auditor appointed by the audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. The auditor issued an unqualified opinion on the financial statements. The Supervisory Board reviewed the auditor's reports, and obtained all necessary information on results of the audit from the Supervisory Board's Audit Committee; the Supervisory Board has not expressed any reservations or presented any comments pertaining to the above. The Supervisory Board also approved, by Resolution No. 3/2024 of 24 April 2024, the Supervisory Board's assessment of the separate and consolidated financial statements of Inter Cars S.A. and the Inter Cars Group for the year ended 31 December 2023, as well as the Directors' Report on the operations of the Inter Cars Group in the year ended 31 December 2023, prepared together with the Directors' Report on the operations Inter Cars S.A., in terms of their completeness, accuracy and consistency with the underlying accounting records and supporting documents.

Therefore, the Supervisory Board decided to submit for approval by the General Meeting the following documents as submitted by the Management Board, which the Supervisory Board assessed favourably and

approved: the Directors' Report on the operations of the Inter Cars Group in 2023, prepared together with the Directors' Report on the operations of the Company in 2023, the Company's separate financial statements for the financial year 2023 together with the auditor's report, comprising: (i) Balance sheet as at 31 December 2023, showing total assets and total equity and liabilities of **PLN 7,080,590 thousand** (seven billion, eighty million, five hundred and ninety thousand zloty); (ii) Statement of profit or loss for the period 1 January–31 December 2023, showing a net profit of PLN 361,241 thousand (three hundred and sixty-one million, two hundred and forty-one thousand zloty); (iii) Statement of changes in equity for the financial year 1 January–31 December 2023, showing an increase in equity of PLN 351,182 thousand (three hundred and fifty-one million, one hundred and eighty-two thousand zloty); (iv) Statement of cash flows for the financial year 1 January–31 December 2023, showing a net decrease in cash of PLN **23,241 thousand** (twenty-three million, two hundred and forty-one thousand zloty); (v) supplementary information, comprising the introduction and notes to the financial statements; as well as the consolidated financial statements of the Inter Cars Group for the financial year 2023, together with the auditor's report, comprising: (i) Consolidated balance sheet of the Inter Cars Group as at 31 December 2023, showing total assets and total equity and liabilities of **PLN 9,271,136 thousand** (nine billion, two hundred and seventy-one million, one hundred and thirty-six thousand zloty); (ii) Consolidated statement of profit or loss of the Inter Cars Group for the financial year 1 January–31 December 2023, showing a net profit of PLN **700,297 thousand** (seven hundred million, two hundred and ninety-seven thousand zloty); (iii) Statement of changes in consolidated equity of the Inter Cars Group for the financial year 1 January–31 December 2023, showing an increase in equity of PLN **621,743 thousand** (six hundred and twenty-one million, seven hundred and forty-three thousand zloty); (iv) Consolidated statement of cash flows of the Inter Cars Group for the financial year 1 January–31 December 2023, showing a net increase in cash of PLN **10,714 thousand** (ten million, seven hundred and fourteen thousand zloty); (v) Supplementary information, comprising the introduction and notes to the consolidated financial statements.

Furthermore, the Supervisory Board acknowledged, positively assessed and endorsed the Management Board's proposal to allocate the Company's profit for 2023 in such a manner that out of its total amount of PLN **361,241,760.18** (three hundred and sixty-one million, two hundred and forty-one thousand, seven hundred and sixty zloty, 18/100), an amount of PLN 10,059,351.00 (ten million, fifty-nine thousand, three hundred and fifty-one zloty), i.e. PLN 0.71 (seventy-one grosz) per share, be paid to shareholders as dividend, while the balance of PLN 351,182,409.18 (three hundred and fifty-one million, one hundred and eighty-two thousand, four hundred and nine zloty, 18/100) be transferred to statutory reserve funds, as well as the dividend record date of 10 June 2024 and dividend payment date of 19 June 2024 as proposed by the Management Board.

The Supervisory Board recommended that the General Meeting resolve to allocate the Company's profit for 2023 as proposed by the Management Board.

### **III. Assessment of the Company's standing, including evaluation of its internal systems and functions**

This evaluation is the Supervisory Board's assessment of the Company's standing and includes evaluation of the Company's internal control, risk management and compliance systems and the internal audit function, in accordance with Art. 382.3<sup>1</sup>(2) of the Commercial Companies Code and the Company's corporate governance policy. The Supervisory Board performed this assessment on the basis of the Directors' Reports on the Company's and the Inter Cars Group's operations in 2023, the separate and consolidated financial statements for 2023, as well as information obtained by the Supervisory Board while performing its duties.

#### **A. Assessment of the Company's standing**

The Supervisory Board issues a positive opinion on the Management Board's achievements in 2023, which should be viewed as a good period for the entire Inter Cars Group (the "**Group**").

In 2023, the Group's revenue exceeded PLN 18bn, up 18.0% year on year. The revenue growth was primarily driven by continuing strong demand and increased manufacturing costs, which led to a rise in the prices of end products, albeit slower than in 2022. Demand for spare parts was also driven by continuous ageing of Europe's existing stock of vehicles, necessitating more frequent repairs.

However, the Group delivered a net profit in excess of PLN 700m, down 6.1% on the previous year. The decline in net profit was caused, among other factors, by reduced margins resulting from the local currency (e.g., the Polish zloty) strengthening against the euro, foreign exchange losses, and market pressures in some regions.

In the reporting period, the Group remained active across all of its geographies as well as opening a new company in Albania in late 2023. As at the end of 2023, the Group's distribution network in Europe comprised 632 branches (points of sale), including 246 in Poland and 386 abroad. In 2023, the Group opened a total of 14 new branches, mainly through its foreign subsidiaries.

The Supervisory Board positively assesses the Group's growth in Poland and abroad. The Group's actions contribute to further strengthening of its position as a leader in Central and Eastern Europe, as well as to dynamic growth in export sales to Western European markets.

The Supervisory Board also favourably assesses the results posted by all of the Group subsidiaries in 2023. In 2023, Greece, Serbia, Hungary, and Ukraine emerged as the fastest developing countries. Ukraine's inclusion in this group was primarily attributed to the market's resurgence amid the war. Romania is the Group's second largest market (after Poland). With 62 branches, it supplies over 55,000 customers and 12,000 car workshops, ranking third in the domestic market.

The Supervisory Board was once again delighted to learn of new accolades and awards received by the Group's [www.motointegrator.de](http://www.motointegrator.de) online store. In 2023, the store achieved recognition as one of the premier online retailers in its industry in Germany for the sixth consecutive year, earning the esteemed TOP Shop 2023 title for exceptional customer service, an outstanding offer, and swift delivery.

The Supervisory Board would like to emphasise that, in addition to the distribution of parts and automotive products, the Group is also engaged in manufacturing activities closely related to the automotive industry, which expand the distribution network's value chain. Lauber Sp. z o.o., engaged in regeneration of automotive parts and subassemblies, and Feber Sp. z o.o., a manufacturer of semi-trailers, are positive contributors to the Group's financial results. The Group's offering also includes sale of Isuzu and Ford Truck vans and trucks by Q-Service Truck Sp. z o.o., Poland's first authorised dealer of the brands. On 26 May 2023, a commercial agreement was signed, establishing Armatus sp. z o.o., a member of the Group, as an authorised dealer of BYD electric trucks and commercial vehicles in Poland. By the end of 2024, the BYD Truck dealership network will include five points in Poland, facilitating the sale and maintenance of these vehicles. BYD is the first and only manufacturer of electric cars that manufactures its own batteries, engines and engine control system. In February 2023, the Group initiated the expansion of its logistics centre in Zakroczym, adding an additional area of 100,000 square meters.

The Supervisory Board also expresses its appreciation of the Company's fulfilment of the highest standards in corporate social responsibility, reporting, investor relations management, corporate governance, information policy, as well as environmental, social and economic impacts.

The Supervisory Board has issued a favourable assessment of the Sustainability Strategy adopted in September 2023. The Strategy outlines the Inter Cars Group's commitment to prioritising initiatives concerning key management, environmental and social topics as identified through a comprehensive materiality audit process taking into account current trends and challenges within our environment. The new strategy was crafted considering the entire value chain: from automotive parts manufacturers, who are the Company's suppliers, to automotive workshops, which represent the Company's customers. A decarbonisation strategy forms an integral element of the Sustainability Strategy. The Group has established two decarbonisation targets, pledging to reduce Scope 1 and 2 absolute greenhouse gas (GHG) emissions by 42% by 2030. Additionally, concerning Scope 3 emissions, the Group aims to encourage 73% of its suppliers in categories 1 (purchased goods and services), 4 (upstream transportation and distribution), and 9 (downstream transportation and distribution) to establish their decarbonisation targets by 2028. These objectives have received positive verification from the Science Based Targets initiative (SBTi), a global initiative that empowers companies to establish ambitious emission reduction targets aligned with the most recent climate scientific insights.

The Supervisory Board also welcomed the news that Inter Cars was among the employers awarded the Investor in Human Capital and Top Quality HR Manager 2023 certificates. This prestigious recognition is granted based on employee feedback expressed in satisfaction and engagement surveys, which give

employees an opportunity to share their views on various aspects of the work environment fostered by their employers. In addition, Inter Cars was ranked by the *Wprost* weekly among the top 50 Polish employers in 2023 and was awarded the title of the best employer in the automotive sector.

The Company also received the Silver CSR Leaf award of the *Polityka* weekly.

**B. Assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the Supervisory Board to perform the assessment**

The Company does not fully comply with the GPW Best Practice with respect to the implementation and maintenance of efficient internal control, risk management and compliance systems, as well as maintenance of the internal audit function. The internal control and risk management systems are dispersed, reflecting the organisational structure, and are maintained to a large extent by the Finance Division and the Operating Division, as described below.

The Company operates a compliance programme adopted by the Management Board in the second half of 2017, which includes in particular the Code of Conduct and Good Practice, Fraud Prevention Policy, Conflict of Interest Management Policy, Information Confidentiality Policy, Anti-Mobbing Policy, as well as Occupational Health and Safety and Environmental Policy. The programme is designed to ensure compliance of the Company's activities with the law, business standards and other market requirements by ensuring that the compliance risk is properly managed. Such processes as managing risks of fraud and conflicts of interest have been defined within the framework of the programme.

The Supervisory Board reviews the internal audit and risk management systems on an ongoing basis, which includes assessment of the process of preparation of separate and consolidated financial statements. The assessment is based on information provided by the Company's Management Board, Chief Financial Officer, and the Audit Committee. The Supervisory Board also assesses components of the compliance system on an ongoing basis, with the assessment based on information provided by the Company's Management Board, the Legal Counsel, and the Audit Committee.

The Audit Committee supports the Supervisory Board in the day-to-day pursuit of its supervisory tasks by monitoring the Company's financial reporting process, financial audit tasks, the auditor's independence, and the effectiveness of the internal control and risk management systems, and of the internal audit function.

Following establishment of a separate internal audit unit in the first quarter of 2018, the organisation and effectiveness of risk management and control processes are also periodically audited by the internal audit unit, reporting functionally to the Audit Committee. In addition, the Audit Committee approves annual plans of internal audits, and any changes of such plans require prior consent from the Audit Committee. In 2023, internal audits were performed in selected areas of the Company's and the Group's operations. Relevant recommendations were provided on an ongoing basis to the Management Board, the Audit Committee and the Supervisory Board.

Financial statements and periodic reports are prepared in accordance with the applicable laws and the Company's accounting policies by the Chief Financial Officer, and are reviewed on an ongoing basis by the Management Board, which is responsible for the accuracy and consistency of information disclosed by the Company, and for the applied accounting policies. Financial statements are prepared exclusively by persons having access to relevant financial data. All financial data contained in the financial statements and periodic reports are sourced from the financial and accounting system, where all business events are recorded in accordance with the Company's accounting policies (approved by the Management Board), based on International Accounting Standards and International Financial Reporting Standards. The Company continuously monitors changes to the regulatory framework and regulations applicable to stock exchange reporting, and makes preparations sufficiently in advance to incorporate any required changes. The financial reporting process is also monitored by the Audit Committee, which reviews the Company's interim and annual reports and monitors individual stages of the process for compliance and correctness. The Audit Committee's tasks additionally include reviewing and giving opinions on the rules of the financial reporting systems used by the Company.

Once approved by the Management Board, financial statements are reviewed or audited by an independent auditor – the audit firm selected from among reputed audit firms and appointed by the Supervisory Board, taking into account recommendations of the Audit Committee. Based on circumstances identified during the audit of financial statements, the Finance Division, acting in communication with the audit firm, attempts to formulate recommendations on how to enhance the Company's internal control system, for possible implementation.

The Finance Division and Division Heads prepare periodic management information reports, including analyses of key financial data and operating indicators of the business segments, and submit them to the Management Board.

In view of the above, the Supervisory Board gives a positive opinion on the Company's internal control, risk management and compliance systems.

**IV. Assessment of the Company's compliance with corporate governance requirements as specified in the Stock Exchange Rules and in the statutory regulations governing current and periodic information to be published by issuers of securities, and information about measures taken by the Supervisory Board to perform the assessment**

The Supervisory Board performed its assessment on the basis of the Directors' Reports on the Company's and the Inter Cars Group's operations in 2023 and the statement of compliance by the Company with corporate governance standards as released on the Company's corporate website.

In the opinion of the Supervisory Board, the Company made every effort to ensure application of and due compliance with the disclosure requirements imposed by law and other regulations. To ensure transparency and effectiveness of its disclosure policy, the Company provided the shareholders, analysts and investors with swift and reliable access to relevant information.

The Company fully complied with the statutory disclosure requirements where they apply to current and periodic reports. In 2023, the Company published 33 current reports and 5 periodic reports. All reports are available on the Company's website at <http://inwestor.intercars.com.pl/pl/>, in the 'Reports' and 'Corporate Governance' tabs.

In addition, the statement of compliance by the Company with corporate governance standards, which is included in the Directors' Report on the Company's operations in 2023, covers all aspects of the Company's governance whose disclosure is required under applicable regulations. In the opinion of the Supervisory Board, the statement addresses the corporate governance of Inter Cars S.A. in a detailed and reliable manner.

In the Supervisory Board's opinion, the information disclosed by the Company is compliant with the relevant requirements and gives a true and fair view of the application of the corporate governance policy.

**V. Assessment of the reasonableness of the Company's charitable giving and sponsorship policies, including assessment of the reasonableness of the Company's and the Group's expenses on supporting cultural initiatives, sports, charitable institutions, media outlets, non-profit organisations, trade unions, etc.**

The Company's charitable giving and CSR policies have been incorporated into its sustainability strategy, which is described in detail in its non-financial statement. Furthermore, as part of the compliance programme, the Company implemented a system of supervision of charitable donations provided by the Company. Prior approval by the Company's Chief Legal Officer must be secured for all key charitable and sponsorship projects. A statement of expenditure incurred by the Company and its Group to support cultural initiatives, sports, charitable institutions, media outlets, non-profit organisations and trade unions in 2023 is presented in the non-financial statement. In order to maximise the Company's positive social impacts, the Inter Cars Foundation was established in 2021. Its mission is to support widely-available, safe, sustainable and climate-friendly mobility solutions. The Foundation focuses its activities in four key areas, i.e. developing the competencies of the future, environmental protection, health protection, and traffic safety. The Foundation's internal oversight body is its Board, which evaluates the Foundation's annual and longer term activity programmes and approves its annual activity and financial reports. In 2023, the Foundation carried out a variety of initiatives, including the 'Accelerator' scholarship programme, which is

designed to support ambitious high school students who demonstrate a keen interest and aptitude in fields spanning from automotive technology and mechanics to mechatronics and electronics to computer science and logistics. Another noteworthy project is the 'Inter Dobro' grants programme, which is dedicated to financing volunteer efforts spearheaded by Group employees or associates. To qualify for a grant, a proposal must be submitted by a team of at least two, and it is essential that the proposed initiative aligns with the focus and activities of the Inter Cars Foundation.

In 2023, the Company's CSR and charitable efforts were focused primarily on supporting children and teenagers' physical and intellectual development as well as saving their lives and improving their health. They were mainly dedicated to helping young people in hardship.

The Company supports sports activities and runs educational programmes for school children, and supports charity initiatives.

The Company has been sponsoring athletes, including mobility-impaired ones, competing in such disciplines as car racing, cycling, rugby, and running.

The Company, in partnership with automotive vocational schools, also runs an educational programme for young students. As part of the initiative, it provides, among other things, selected schools with modern equipment for vehicle repair and diagnostics, and holds theoretical training sessions.

Although the Company does not have a defined sponsorship and charitable giving policy, the Supervisory Board evaluates the Company's activities, including expenses, in this area as reasonable and desirable.

In the future, the Company may also develop a sponsorship and charitable policy document, which would reflect the Company's activities in this respect.

#### **VI. Implementation of the diversity policy for the Management Board and the Supervisory Board, including achievement of diversity targets and criteria**

The Company does not have in place a diversity policy applicable to the Management Board or the Supervisory Board, approved by the Supervisory Board or the General Meeting, respectively.

Nevertheless, the Company is committed to fostering diversity within its governing bodies, recognising the value of cultivating an environment which encompasses a broad spectrum of expertise and qualifications and is conducive to fulfilling the individual potential of each person. All appointment decisions for the Supervisory Board and Management Board are made by the General Meeting and the Supervisory Board, respectively, and are primarily guided by the needs and interests of the Company. The main focus when recruiting members of the Supervisory and Management Board is therefore placed on a candidate's skills, expertise, know-how and industry experience.

While no official diversity policy has been adopted, it is worth noting that the current composition of the Supervisory Board is diverse in terms of its members' educational background, age, expertise, and industry experience. Similarly, the Management Board can also boast a diverse membership, representing various educational backgrounds, expertise, and industry experience.

#### **VII. Final considerations**

In the opinion of the Supervisory Board, the Management Board used all reasonable effort to ensure delivery of good financial results by the Inter Cars Group. Therefore, the Supervisory Board positively assesses the Management Board's efforts to further the Company's and the Inter Cars Group's key strategic objectives. The Supervisory Board recommends that the General Meeting grant discharge from liability to all members of the Company's Management Board in respect of their duties in 2023.