

## Report on the Functioning of Corporate Governance Principles

for the period from January 1, 2023, to December 31, 2023

### I. Introduction

In accordance with the "Corporate Governance Principles for Supervised Institutions" issued by the Polish Financial Supervision Authority (KNF) on July 22, 2014 (hereinafter: "CGP"), which imposed a series of obligations on supervised institutions, the Supervisory Board of Caspar Asset Management S.A. conducted an annual assessment of the application of the principles introduced by the aforementioned document by Caspar Asset Management S.A. (hereinafter: "Company"). The verification of the functioning of the CGP particularly considered the following categories: organization and organizational structure, management body, remuneration policy, promotional activities and client relations, key systems and internal functions, risk management.

### II. Functioning of the Corporate Governance Principles

#### Organization and Organizational Structure

In the category relating to the organization and organizational structure, the Management Board of Caspar Asset Management S.A. adopted Management Board Resolution No. 12/06/2023 of June 16, 2023, concerning amendments to the Organizational Regulations of Caspar Asset Management S.A. The changes mainly concerned the introduction of provisions on anti-money laundering and counter-terrorism financing. The organizational chart was also amended in connection with changes in the composition of the Management Board of Caspar Asset Management S.A. Another amendment to the Organizational Regulations of Caspar Asset Management S.A. was made by Management Board Resolution No. 4/09/2023 of September 21, 2023, concerning changes to the Organizational Regulations of Caspar Asset Management S.A. The changes pertained to the risk management unit. A Risk Team headed by a Risk Officer was introduced. Until September 20, 2023, the risk management system included a single-person position. The changes were introduced in connection with the ongoing proceedings before the Polish Financial Supervision Authority concerning the issuance of approval for a board member supervising the risk management system - Mr. Krzysztof Jeske. The proceedings are still ongoing, and as such, the organizational structure may undergo further changes in 2024.

All internal regulations in force at Caspar Asset Management S.A. undergo systematic reviews and are adjusted to comply with applicable laws. In particular, the organizational structure of the Company has been adapted to the following activities conducted by Caspar Asset Management S.A.: receiving and transmitting orders to buy or sell financial instruments, managing portfolios that include one or more financial instruments, investment advice, and offering financial instruments for which the Company has obtained authorization from the Polish Financial Supervision Authority. The Company has an organizational structure appropriate to the scale and nature of its activities, where hierarchical subordination, tasks, and the scope of duties and responsibilities are clearly assigned and appropriately divided.

In accordance with the Corporate Governance Principles, Caspar Asset Management S.A. ensures the proper functioning of the organization through appropriate regulation in internal regulations and provides a transparent organizational structure. In line with the Corporate Governance Principles, Caspar Asset Management S.A. maintains an appropriate organizational structure with an adequate internal control, audit, and risk management system.

### **Management Body**

The management body in the Company operates on a collegial basis. Each member of the management body possesses the competence to manage the company's affairs derived from:

- 1) Knowledge (acquired through education, training, professional titles, and other career-related experiences),
- 2) Experience (gained through holding specific functions or positions),
- 3) Skills necessary to perform the assigned function.

The individual competencies of the members of the collegial management body complement each other in such a way that they ensure an appropriate level of collegial management of the supervised institution.

On June 15, 2023, the Ordinary General Meeting of Shareholders of Caspar Asset Management S.A. passed resolution No. 9 granting a vote of approval to Mr. Leszek Kasperski for his duties as President of the Management Board from January 1, 2022, to December 31, 2022, resolution No. 10 granting a vote of approval to Mr. Błażej Bogdziewicz for his duties as Vice President of the Management Board from January 1, 2022, to December 31, 2022, and resolution No. 11 granting a vote of approval to Ms.

Hanna Kijanowska for her duties as Vice President of the Management Board from January 1, 2022, to December 31, 2022.

Mr. Leszek Kasperski resigned from his functions as President of the Management Board and Member of the Management Board on April 24, 2023, with effect from the date of the next Ordinary General Meeting of Shareholders (June 15, 2023). The Ordinary General Meeting of Shareholders of Caspar Asset Management S.A. passed resolution No. 15 appointing Mr. Krzysztof Jeske as a new Member of the Management Board. Additionally, the Ordinary General Meeting of Shareholders of Caspar Asset Management S.A. passed resolution No. 24 appointing Mr. Leszek Kasperski as a new Member of the Supervisory Board of Caspar Asset Management S.A.

### Remuneration Policy

The Company maintains a transparent remuneration policy for the members of the supervisory body and the management body, as well as for individuals holding key functions. Caspar Asset Management S.A. has the following remuneration policies in place:

- 1) Remuneration policy for the members of the Supervisory Board of Caspar Asset Management S.A.: no changes in 2023.
- 2) Remuneration policy for the members of the Management Board of Caspar Asset Management S.A.: no changes in 2023.
- 3) Remuneration policy for the members of the Management Board and Supervisory Board of the Company: no changes in 2023.
- 4) Remuneration policy for individuals involved in Caspar Asset Management S.A.: no changes in 2023.
- 5) Policy on variable and fixed remuneration components for employees whose professional activities have a significant impact on the risk profile of the companies in the Caspar Asset Management S.A. Group: no changes in 2023.

The incentive program in the Caspar Asset Management S.A. Capital Group, the Regulations of the incentive program for employees at Caspar Asset Management S.A. based in Poznań, and the Employee Performance Appraisal Regulations of Caspar Asset Management S.A. also remained unchanged in 2023. Furthermore, the Regulations of the Incentive Program for the Members of the Management Board of

Caspar Asset Management S.A. (adopted by resolution No. 26 on June 21, 2021, by the Ordinary General Meeting of Shareholders) were not amended in 2023.

The report on the review of the implementation of the policy on variable and fixed remuneration components for employees whose professional activities have a significant impact on the risk profile of the companies in the Caspar Asset Management S.A. Group for 2023 was prepared by the Compliance Officer of Caspar Asset Management S.A.

### **Promotional Activities and Client Relations**

The Company exercises due diligence to ensure that its advertising related to the services provided or its activities is accurate, non-misleading, and complies with applicable laws, principles of fair trade, and good practices. The Internal Control Team oversees the creation and publication of advertising materials each time.

In terms of significant changes to the document packages for the Clients of Caspar Asset Management S.A., the following resolutions were adopted:

- Resolution No. 01/01/2023 dated January 11, 2023, regarding changes to the document package for clients of Caspar Asset Management S.A. in the area of asset management services;
- Resolution No. 02/01/2023 dated January 11, 2023, regarding changes to the document package for clients of Caspar Asset Management S.A. in the area of order receipt and transmission services;
- Resolution No. 06/01/2023 dated January 26, 2023, regarding changes to the document package for clients of Caspar Asset Management S.A. in the area of asset management services (package for individuals);
- Resolution No. 02/09/2023 dated September 21, 2023, regarding changes to the document package for clients of Caspar Asset Management S.A. in the area of asset management services;
- Resolution No. 03/09/2023 dated September 21, 2023, regarding changes to the document package for clients of Caspar Asset Management S.A. in the area of order receipt and transmission services.

For other services, the document packages have not been changed.

The policy regarding advertising, promotional, and informational activities of Caspar Asset Management S.A. was amended by Management Board Resolution No. 4/01/2023 dated January 16, 2023. Detailed provisions regarding materials on social media were introduced.

### **Key Systems and Internal Functions**

Regarding the internal control system, compliance oversight system (hereinafter referred to as the "Internal Control Team"), and internal audit system, it should be noted that in 2023, there were no personnel changes in the internal audit unit or the position of Compliance Inspector at Caspar Asset Management S.A.

The Internal Control Team, to ensure the realization of the internal control system's goals, consists of a well-organized internal control unit and control mechanisms. The Company has an adequate, effective, and efficient internal control system aimed at ensuring:

- 1) The correctness of procedures and reliable internal and external reporting.
- 2) Compliance with legal regulations and internal regulations, taking into account supervisory recommendations.

The Compliance Inspector of Caspar Asset Management S.A. annually prepares a report on the activities of the Internal Control Team and a report on the functioning of the compliance oversight system. The Internal Auditor also prepares an annual internal audit report. Similarly, both the Compliance Inspector and the Internal Auditor, as well as the Risk Inspector, prepare annual risk management reports. These reports are adopted by the Management Board and approved by the Supervisory Board.

### **Risk Management**

The Company effectively manages the risks present in its operations, particularly by developing and implementing an adequate and effective risk management system that includes a risk management strategy encompassing the risk appetite. In 2023, there were organizational changes within the risk unit. Since September 2023, the Risk Team, led by the Risk Inspector, has been in operation.

Among the most important issues regarding the risk management system at Caspar Asset Management S.A., the following resolutions should be highlighted:

- Management Board Resolution No. 07/01/2023 dated January 27, 2023, concerning the adoption of the Annual Risk Management Report for 2022;
- Management Board Resolution No. 15/06/2023 dated June 20, 2023, regarding internal limits for various types of risk for Caspar Asset Management S.A. and the Caspar Group;
- Management Board Resolution No. 01/09/2023 dated September 21, 2023, regarding internal limits for various types of risk for Caspar Asset Management S.A. and the Caspar Group;
- Management Board Resolution No. 01/11/2023 dated November 6, 2023, concerning amendments to the Procedure for Determining Target Groups and Distribution Strategies at Caspar Asset Management S.A. in terms of introducing the obligation for the Risk Inspector to abstain from voting within the Product Committee on matters related to financial instruments of investment funds created by Caspar TFI S.A.

## II. Assessment of the Functioning of Corporate Governance Principles

As a result of the evaluation conducted regarding the application of the "Corporate Governance Principles for Supervised Institutions" in the Company in 2023, the Supervisory Board did not find any instances of non-compliance with the guidelines arising from the aforementioned principles.

In light of the above, the Supervisory Board confirms the application of the guidelines arising from the "Corporate Governance Principles for Supervised Institutions" in the Company.

In accordance with the provision of §27 of the "Corporate Governance Principles for Supervised Institutions," this report is submitted by the Supervisory Board to the other governing bodies of the Company, and the results of the assessment are published on the website of Caspar Asset Management S.A.

Poznań, February 29, 2024

Rafał Edmund Litwic

Chairman of the Supervisory Board .....

Maciej Tomasz Czapiewski

Vice Chairman of the Supervisory Board .....

Katarzyna Fabiś

Member of the Supervisory Board .....

Leszek Kasperski

Member of the Supervisory Board .....

Piotr Maciej Kaźmierczak

Member of the Supervisory Board .....

Rafał Płókarz

Member of the Supervisory Board .....

Andrzej Tabor

Member of the Supervisory Board .....