

Creepy Jar S.A.

Information on the application by the company of the principles contained in the Code of Good Practices for WSE Listed Companies 2021

According to the current state of application of Good Practices, the Company does not apply 13 principles: 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 3.3, 3.4., 3.5., 3.6., 3.10., 4.1.

1. INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

In the interest of all market participants and in its own interest, a listed company ensures proper communication with its stakeholders by pursuing a transparent and reliable information policy.

- 1.1. The company maintains efficient communication with capital market participants, providing reliable information on matters concerning the company. For this purpose, the company uses various tools and forms of communication, including primarily a corporate website where it publishes all information relevant to investors.
The principle is applied.
- 1.2. The company shall make it possible to review its financial results included in the interim report as soon as possible after the end of the reporting period, and if that is not possible for justified reasons, it shall publish at least preliminary estimated financial results as soon as possible.
The principle is applied.
- 1.3. The company also includes ESG topics in its business strategy, in particular covering:
 - 1.3.1. environmental issues, including metrics and risks associated with climate change and sustainability issues;
The principle is not applied.
Company Comment: The business strategy currently pursued by the Company does not include the topic of ESG. In the opinion of the Company's Management Board, given the nature of the Company's business and its scale, the Issuer's potential negative impact on environmental issues and climate change is insignificant. The Company will consider including ESG topics as part of the development of its future strategy.
 - 1.3.2. social and labour matters, concerning, inter alia, actions taken and planned to ensure gender equality, sound working conditions, respect for employees' rights, dialogue with local communities, customer relations.
The principle is not applied.
Company Comment: The business strategy currently pursued by the Company does not include the topic of ESG. Notwithstanding the above, the Company, in the course of its activities, applies legal regulations and ethical standards aimed at gender equality, ensuring proper working conditions or respecting the rights of employees, as well as taking care of proper relations with clients.
- 1.4. In order to ensure proper communication with its stakeholders with respect to the adopted business strategy, the company publishes on its website information on the assumptions of its strategy, measurable objectives, including in particular long-term objectives, planned activities and progress in its implementation, defined by means of financial and non-financial metrics. Information on ESG strategies should, among other things:
 - 1.4.1. explain how climate change issues are taken into account in the decision-making processes of the company and its group entities, highlighting the resulting risks;
The principle is not applied.
Company Comment: The business strategy currently pursued by the Company does not include the topic of ESG. In the opinion of the Company's Management Board, given the nature of the Company's business and its scale, the Issuer's potential negative impact on environmental issues and climate change is insignificant. Accordingly, the Company does not post relevant information on its website.
 - 1.4.2. present the value of the pay gap ratio paid to its employees, calculated as a percentage difference between the average monthly remuneration (including bonuses, prizes and other allowances) of women and men for the last year, and present information on actions taken to eliminate possible inequalities in this respect, together with a presentation of related risks and the time horizon in which it is planned to achieve equality.
The principle is not applied.
Company Comment: As part of its operations, the Company does not perform additional calculations for purposes of

calculating the pay gap ratio. The most important criteria influencing the amount of individual remuneration of each employee are qualifications, experience and scope of performed duties. The Company, in the course of its activities, applies legal regulations and ethical standards aimed at gender equality, ensuring proper working conditions and respecting the rights of both women and men employees.

1.5. At least once a year, the company shall disclose the expenditure incurred by it and its group for the support of culture, sport, charitable institutions, the media, social organisations, trade unions, etc. If the company or its group has incurred expenditure for such purposes in the year covered by the report, the information shall include a summary of such expenditure.

The principle is applied.

1.6. In case of a company included in the WIG20, mWIG40 or sWIG80 index, the company shall hold an investors' meeting once a quarter, and in case of other companies at least once a year, inviting in particular shareholders, analysts, industry experts and media representatives. During the meeting the company's management board presents and comments on the adopted strategy and its implementation, the financial results of the company and its group, as well as the most important events influencing the company's and its group's operations, achieved results and future prospects. During the organised meetings, the management of the company publicly provides answers and explanations to the questions asked.

The principle is applied.

1.7. If an investor requests information about the company, the company shall respond immediately, but no later than within 14 days.

The principle is applied.

2. MANAGEMENT BOARD AND SUPERVISORY BOARD

In order to achieve the highest standards in the performance of the company's management and supervisory boards' duties and to discharge them in an effective manner, only persons with appropriate competence, skills and experience are appointed to the management and supervisory boards.

Board members act in the interest of the company and are responsible for its activities. In particular, it is the Board's responsibility to lead the company, to be involved in setting and achieving its strategic objectives, and to ensure that the company is efficient and safe.

Members of the supervisory board, in performing their functions and duties on the supervisory board, shall be guided in their conduct, including decision-making, by the independence of their opinions and judgments, acting in the interest of the company.

The supervisory board works in a culture of debate, analysing the company's position against the industry and the market based on material provided to it by the company's management and internal systems and functions, as well as sourced from outside the company, using the results of its committees. The supervisory board in particular gives its opinion on the company's strategy and verifies the work of the management board with respect to achieving the set strategic objectives, as well as monitors the results achieved by the company.

2.1. The Company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy sets out the objectives and criteria for diversity in areas such as gender, field of study, specialist knowledge, age and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. As far as gender diversity is concerned, the condition for ensuring the diversity of the company's bodies is a minority interest of not less than 30% in a given body.

The principle is not applied.

Company Comment: *The Company does not have a diversity policy with respect to the composition of the Management Board and Supervisory Board that considers the parity indicated in this rule. Decisions concerning the election of the members of the Company's Management Board are made by the Supervisory Board and, as regards the election of the members of the Supervisory Board, by the General Meeting, therefore the company has no direct and real impact on the shape of its bodies. Candidates to the Company's bodies are selected based on their knowledge, qualifications and experience.*

2.2. Persons deciding on the election of members of the company's management board or supervisory board should ensure the comprehensiveness of these bodies by selecting persons for their composition who ensure diversity, allowing, inter alia, for the achievement of the target minimum minority shareholding ratio set at not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in principle 2.1.

The principle is not applied.

Company Comment: *Decisions concerning the election of the members of the Company's Management Board are made by the Supervisory Board and, as regards the election of the members of the Supervisory Board, by the General Meeting, therefore the company has no direct and real impact on the shape of its bodies. Candidates to the Company's bodies are selected based on their knowledge, qualifications and experience.*

2.3. At least two members of the supervisory board meet the independence criteria listed in the Act of 11 May 2017 on auditors, audit firms and public supervision and have no real and significant links with a shareholder holding at least 5% of the total number of votes in the company.

The principle is applied.

2.4. Voting of the supervisory board and the management board shall be public, unless otherwise provided by law.

The principle is applied.

2.5. The members of the supervisory board and the management board voting against a resolution may submit a dissenting opinion to the minutes.

The principle is applied.

2.6. Serving on the company's management board is the board member's main area of professional activity. A board member should not undertake additional professional activity if the time devoted to such activity prevents them from reliably performing their duties in

the company.

The principle is applied.

- 2.7. The performance of functions by members of the company's management board in the bodies of entities from outside the company's group requires the consent of the supervisory board.
The principle is applied.
- 2.8. Members of the supervisory board should be able to devote the necessary amount of time to their duties.
The principle is applied.
- 2.9. The chairman of the supervisory board should not combine its function with the work of the audit committee within the board.
The principle is applied.
- 2.10. The Company, appropriate to its size and financial situation, shall delegate the administrative and financial resources necessary to ensure the efficient functioning of the supervisory board.
The principle is applied.
- 2.11. In addition to its activities under the law, the supervisory board shall prepare an annual report once a year and present it to the ordinary general meeting for approval. The report referred to above shall include at least:
- 2.11.1. information on the composition of the board and its committees with an indication of which members of the board meet the independence criteria set out in the Act of 11 May 2017 on auditors, audit firms and public supervision, as well as which of them do not have any real and significant links with a shareholder holding at least 5% of the total number of votes in the company, as well as information on the composition of the supervisory board in the context of its diversity;
The principle is applied.
 - 2.11.2. summary of the activities of the supervisory board and its committees;
The principle is applied.
 - 2.11.3. evaluation of the situation of the company on a consolidated basis, including evaluation of the internal control systems, risk management, compliance and the internal audit function, together with information on the actions taken by the supervisory board in order to perform this evaluation; this evaluation shall include all significant control mechanisms, in particular concerning reporting and operations;
The principle is applied.
 - 2.11.4. evaluation of the company's application of corporate governance principles and the manner of fulfilling information obligations concerning their application, as specified in the Stock Exchange Rules and regulations concerning current and periodical information provided by issuers of securities, together with information on actions taken by the supervisory board in order to perform this evaluation;
The principle is applied.
 - 2.11.5. assessment of the eligibility of expenditures referred to in principle 1.5;
The principle is applied.
 - 2.11.6. information on the extent to which the diversity policy has been implemented with respect to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.
The principle is applied.

3. INTERNAL SYSTEMS AND FUNCTIONS

Efficient internal systems and functions are an indispensable tool for company supervision.

The systems cover the company and all areas of its group that have a material impact on the company's position.

- 3.1. A listed company shall maintain effective systems of internal control, risk management and compliance, as well as an effective internal audit function, appropriate to the size of the company and the type and scale of its operations, for which the management board is responsible.
The principle is applied.
- 3.2. The company shall separate in its structure the units responsible for the tasks of individual systems or functions, unless this is not justified by the size of the company or the type of its activity.
The principle does not apply to the company.
Company Comment: Due to the size of the Company and the nature of its business, units responsible for the tasks of individual systems or functions have not been singled out. Currently, the Company has no separate units within its structure responsible for internal control, risk management, compliance or internal audit functions. The tasks arising from these areas are performed directly by the Management Board and the Audit Committee. The Management Board and the Audit Committee assess every year whether there is a need to separate units responsible for the above tasks.
- 3.3. A company included in the WIG20, mWIG40 or sWIG80 index shall appoint an internal auditor heading the internal audit function, operating in accordance with generally accepted international standards of professional internal audit practice. In other companies where no internal auditor meeting the aforementioned requirements has been appointed, the audit committee (or the supervisory board, if it performs the functions of the audit committee) shall assess annually whether there is a need to appoint such a person.
The principle is not applied.
Company Comment: Due to the size and nature of the business, as at the date of publication of this statement on the application of DPSN2021, the Company has not appointed an internal auditor to manage the internal audit function. The tasks arising from this area are performed directly by the Audit Committee. The Issuer will consider appointing an internal auditor taking into account, inter alia, the future development of the Company and the content of the opinions submitted annually by the Audit Committee regarding the need to appoint such a person.

- 3.4. The remuneration of persons responsible for risk management and compliance and the head of internal audit should be based on the performance of the tasks assigned and not on the company's short-term results.
The principle is not applied.
Company Comment: Due to the size of the Company and the nature of its operations, no persons responsible for risk management, compliance or internal audit have been singled out. The tasks arising from these areas are performed directly by the Management Board and the Audit Committee. The Management Board and the Audit Committee assess annually whether there is a need to appoint persons responsible for the aforementioned areas.
- 3.5. Persons responsible for risk management and compliance report directly to the president or another member of the management board.
The principle is not applied.
Company Comment: Due to the size of the Company and the nature of its operations, no persons responsible for risk management and compliance have been singled out. The tasks arising from these areas are performed directly by the Management Board. The Management Board and the Audit Committee assess annually whether there is a need to appoint persons responsible for the aforementioned areas.
- 3.6. The head of internal audit reports organizationally to the president of the management board and functionally to the chairman of the audit committee, or to the chairman of the supervisory board if the board acts as the audit committee.
The principle is not applied.
Company Comment: Due to the size of the Company and the nature of its operations, the person responsible for managing the internal audit was not singled out. Audit tasks are performed directly by the Audit Committee. The Management Board and the Audit Committee assess annually whether there is a need to appoint persons responsible for internal audit.
- 3.7. Principles 3.4 - 3.6 also apply to entities in the company's group that are material to the company's operations, if they have designated persons to perform these tasks.
The principle does not apply to the company.
Company Comment: The Company is not part of any capital group.
- 3.8. At least once a year, the person responsible for internal audit, or, if no such function has been assigned in the company, the company's management board, shall present to the supervisory board an assessment of the effective functioning of the systems and functions referred to in principle 3.1, together with an appropriate report.
The principle is applied.
- 3.9. The supervisory board shall monitor the effectiveness of the systems and functions referred to in principle 3.1 based, inter alia, on reports periodically provided to it directly by persons responsible for these functions and by the company's management board, and shall make an annual assessment of the effectiveness of those systems and functions in accordance with principle 2.11.3. If the company has an Audit Committee, it shall monitor the effectiveness of the systems and functions referred to in principle 3.1, but this does not exempt the supervisory board from making an annual assessment of the effectiveness of those systems and functions.
The principle is applied.
- 3.10. At least once every five years a company included in a WIG20, mWIG40 or sWIG80 index will have its internal audit function reviewed by an independent auditor selected with the participation of the Audit Committee.
The principle does not apply to the company.
Company Comment: Due to the size and nature of the Company's business, no separate units responsible for the internal audit function have been established so far. The tasks arising from this area are performed directly by the Audit Committee. The Management Board and the Audit Committee assess every year whether there is a need to separate units responsible for the above tasks. Considering the above, the Company has not yet reviewed its internal audit function by an independent auditor.

4. GENERAL MEETING AND RELATIONS WITH SHAREHOLDERS

The management board of a listed company and its supervisory board should encourage shareholders to become involved in the company's affairs, expressed primarily through active participation in general meetings, either in person or by proxy.

The general meeting should respect the rights of all shareholders and ensure that resolutions adopted do not violate the legitimate interests of individual groups of shareholders.

Shareholders participating in the general meeting shall exercise their rights in a manner that does not violate good practices. Participants of the general meeting should come to the general meeting prepared.

- 4.1. A Company should enable its shareholders to participate in a general meeting using electronic means of communication (e-general meeting) if this is justified by the expectations of shareholders communicated to the company, provided that it is able to provide the technical infrastructure necessary for holding such a general meeting.
The principle is not applied.
Company Comment: The application of this principle may involve organisational, technical and legal risks. Moreover, it is also connected with incurring by the Company additional costs connected with providing technical possibilities of participating in the General Meeting. The rules for convening and holding general meetings under the law sufficiently ensure that shareholders may personally participate in General Meetings and exercise their rights in this respect, and the company convenes General Meetings by setting the days and times that allow extensive participation of the shareholders. At the same time, it is possible to participate in the General Meeting through a proxy. Notwithstanding the above, the Company announces that it has rules and regulations for participation in the Company's general meetings by means of electronic communication, which was adopted by resolution of the Company's Supervisory Board No. 1/4/2020 of 16 April 2020. In the future, if there are administrative restrictions related to the limitation of the number of meetings, or in case of actual interest on the part of shareholders, the Issuer will provide shareholders with participation in general meetings also by means of electronic communication.
- 4.2. The Company shall determine the place and date as well as the form of the general meeting in such a way as to enable the largest

possible number of shareholders to participate in the meeting. To this end, the company also endeavours to ensure that cancellation of the general meeting, change of date or adjournment of the meeting is only possible in justified cases, and that it does not prevent or restrict the shareholders from exercising their right to participate in the general meeting.

The principle is applied.

- 4.3. The Company provides a publicly available real-time broadcast of the general meeting.
The principle is applied.
- 4.4. Representatives of the media shall be allowed to be present at general meetings.
The principle is applied.
- 4.5. If the management board receives information that a general meeting has been convened pursuant to Article 399 § 2 - 4 of the Commercial Companies Code, the management board shall immediately perform actions it is required to take in connection with organising and conducting a general meeting. This principle shall also apply if a general meeting is convened on the basis of authorisation given by the registration court pursuant to Article 400 § 3 of the Commercial Companies Code.
The principle is applied.
- 4.6. In order to make it easier for the shareholders participating in the general meeting to vote on resolutions with due discernment, draft resolutions of the general meeting concerning issues and resolutions other than those of procedural nature should include a justification, unless it results from the documentation presented to the general meeting. If an issue is put on the agenda of a general meeting upon request of a shareholder or shareholders, the management board shall request a statement of reasons for the proposed resolution, provided it has not been previously submitted by the shareholder or shareholders.
The principle is applied.
- 4.7. The supervisory board shall give its opinion on draft resolutions submitted by the management board to the agenda of the general meeting.
The principle is applied.
- 4.8. Draft resolutions of the general meeting concerning issues included in the agenda of the general meeting should be submitted by shareholders no later than 3 days before the general meeting.
The principle is applied.
- 4.9. If the subject of the general meeting is to be an appointment to the supervisory board or the appointment of a new supervisory board:
- 4.9.1. candidates for members of the board should be put forward within a time limit enabling the shareholders present at the general meeting to take a decision with due discernment, but not later than 3 days before the general meeting; the candidates, together with a set of materials concerning them, should be promptly published on the company's website;
The principle is applied.
- 4.9.2. a candidate for a member of the supervisory board shall submit statements with regard to the fulfilment of the requirements for members of the audit committee set out in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as with regard to the existence of the candidate's real and significant links with a shareholder holding at least 5% of the total number of votes in the company.
The principle is applied.
- 4.10. The exercise of shareholders' rights and the way they exercise their rights may not lead to obstruction of the correct operation of the company's bodies.
The principle is applied.
- 4.11. The members of the management board and the supervisory board shall attend the general meeting, at the meeting place or by means of real-time bilateral electronic communication, in such a way that they can express themselves on the issues on the agenda of the general meeting and answer substantive questions asked during the general meeting. The management board shall present to the participants of the ordinary general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statement to be approved by the general meeting. The management board discusses significant events concerning the past financial year, compares the presented data with previous years and indicates the degree of execution of plans for the past year.
The principle is applied.
- 4.12. A resolution of the general meeting on an issue of shares with pre-emptive rights should specify the issue price or the mechanism for determining it, or oblige the authorised body to determine it before the date of pre-emptive rights, within a time limit enabling an investment decision to be taken.
The principle is applied.
- 4.13. A resolution on a new share issue excluding pre-emptive rights, which at the same time grants the pre-emptive right to subscribe for the new issue shares to selected shareholders or other entities, may be adopted if at least the following conditions are met:
- a) the company has a reasonable, economically justified need to raise capital urgently, or the share issue is connected with reasonable, economically justified transactions, such as, inter alia, a merger with or takeover of another company, or the shares are to be acquired under an incentive scheme adopted by the company;
 - b) the persons who will be entitled to pre-emptive right will be identified according to objective general criteria;
 - c) the share subscription price will remain in a reasonable relation to the current quotations of shares in that company or will be determined as a result of the market book-building process.
- The principle is applied.**
- 4.14. The company should aim to distribute its profit by paying dividends. Leaving all profits within the company is possible if any of the following reasons apply:
- a) the amount of this profit is minimal and consequently the dividend would be insignificant in relation to the value of shares;
 - b) the company recognises uncovered losses from previous years and the profit is allocated to reducing them;
 - c) the company will justify that the allocation of profit to investment will bring tangible benefits to the shareholders;
 - d) the company did not generate cash to enable the payment of dividends;

- e) payment of dividends would significantly increase the risk of breaching covenants resulting from loan agreements or bond issue conditions binding the company;
- f) leaving the profit in the company is in accordance with the recommendation of the institution supervising the company by virtue of carrying out a particular type of activity.

The principle is applied.

5. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

For the purposes of this chapter, a related party is a party within the meaning of international accounting standards adopted based on Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The Company and its group should have clear procedures for managing conflicts of interest and for entering into transactions with related parties in circumstances where conflicts of interest may arise. Procedures should provide for how to identify such situations, how to disclose them, and how to deal with them when they occur.

A member of the management board or the supervisory board should avoid taking up professional or non-professional activities which could give rise to a conflict of interest or adversely affect their reputation as a member of the company's body and should disclose any such conflict of interest forthwith.

- 5.1. A member of the management board or the supervisory board shall inform the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and shall not take part in the consideration of the matter in relation to which their person may have a conflict of interest.

The principle is applied.

- 5.2. If a member of the management board or the supervisory board considers that a decision of the management board or the supervisory board, respectively, is contrary to the interest of the company, they should request that their dissenting opinion on the matter be entered in the minutes of the meeting of the management board or the supervisory board.

The principle is applied.

- 5.3. No shareholder should be privileged over other shareholders with respect to related party transactions. This also applies to transactions of the company's shareholders with entities belonging to its group.

The principle is applied.

- 5.4. The Company may only purchase its own shares (buy-back) in such a manner that the rights of all shareholders are respected.

The principle is applied.

- 5.5. If a company's transaction with a related party requires the approval of the supervisory board, the supervisory board shall assess, before passing a resolution on giving its approval, whether it is necessary to first consult an external entity which will perform a valuation of the transaction and an analysis of its economic effects.

The principle is applied.

- 5.6. If the conclusion of a transaction with a related party requires the approval of the general meeting, the supervisory board shall draw up an opinion on the validity of such transaction. In such a case, the board shall assess the necessity of first consulting an external body as referred to in principle 5.5.

The principle is applied.

- 5.7. If a decision on the conclusion by the company of a significant transaction with a related party is taken by the general meeting, before such a decision is taken, the company shall ensure that all shareholders have access to the information necessary to assess the impact of the transaction on the company's interest, including the opinion of the supervisory board referred to in principle 5.6.

The principle is applied.

6. RENUMERATION

The Company and its group take care of the stability of the management staff, inter alia, through transparent, fair, consistent and non-discriminatory rules of their remuneration, manifested, among others, by equal pay for men and women.

The remuneration policy adopted in the company for members of the company's bodies and its key managers specifies, in particular, the form, structure, method of determining and paying remuneration.

- 6.1. Remuneration of members of the management and supervisory boards and of key managers should be sufficient to attract, retain and motivate people with necessary competences to properly run and supervise the company. The amount of remuneration should be adequate to the tasks and duties performed by the individual and the related responsibility.

The principle is applied.

- 6.2. Incentive programmes should be designed in such a way that, inter alia, they make the level of remuneration of members of the company's management board and key managers conditional on the actual, long-term situation of the company as regards its financial and non-financial performance and on the long-term growth of shareholder value and sustainable development, as well as the stability of the company's operations.

The principle is applied.

- 6.3. If one of the company's incentive schemes is the managerial options scheme, then the execution of the options scheme should be conditional on meeting by the eligible persons, within a period of at least 3 years, the financial and non-financial targets set in advance

which are realistic and appropriate for the company and sustainable development, and the set price for the acquisition of shares by the eligible persons or settlement of options may not differ from the value of shares as at the date of adopting the scheme.

The principle is applied.

- 6.4. The supervisory board performs its tasks on a continuous basis, therefore remuneration of board members cannot depend on the number of meetings held. Remuneration of members of committees, in particular the Audit Committee, should take into account the additional workload related to the work in those committees.

The principle is applied.

- 6.5. Remuneration of the members of the supervisory board should not depend on the company's short-term performance.

The principle is applied.