



**STATEMENT ON APPLICATION OF CORPORATE GOVERNANCE
PRINCIPLES AT TEN SQUARE GAMES S.A.**

IN 2019

*constituting a separate part of the Management Board's Report on the activity of the
Capital Group Ten Square Games S.A. and Ten Square Games S.A.*

Wrocław, 23rd March 2020

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1. CORPORATE GOVERNANCE PRINCIPLES BINDING THE ISSUER AND THE INFORMATION ON WHERE THE TEXT OF THE RULES IS PUBLICLY AVAILABLE

Since the admission of the Company's shares to trading on the regulated market, Ten Square Games S.A. (the Issuer, the Company) is subject to the rules of corporate governance contained in the document "Best Practice of WSE Listed Companies 2016", in the wording constituting an appendix to Resolution No. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange S.A. of 13 October 2015. The rules came into force on 1 January 2016. The content of the rules is available on the website of the Warsaw Stock Exchange. <https://www.gpw.pl/dobre-praktyki>.

2. THE EXTENT TO WHICH THE ISSUER HAS DEVIATED FROM THE CORPORATE GOVERNANCE RULES

Since the admission of the Company's shares to trading on the regulated market, the Issuer has applied the majority of corporate governance rules in full.

Below the Issuer provides an explanation of how the following principle was applied in the financial year 2019:

Rule I.Z.1. - A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation:

- **I.Z.1.8.** - selected financial data of the company for the last 5 years of business in a format enabling the recipient to process such data.

It is the Company's intention to present the data for the last 5 years of its activity in a format allowing for processing of such data by its recipients. However, the Company points out that until 2016 the Company's financial statements had been drafted in accordance with the Polish Accountancy Act of September 29th 1994, after which the statements have been drafted in accordance with the International Financial Reporting Standards. For the purpose of submitting a prospectus (in order for the shares to be admitted to trading) the Company has drafted a Historical Financial Information in accordance with IFRS for the years 2015-2017. Therefore, in order to ensure continuity and comparability of information, the company presents data starting from 1 January 2015.

Below, the Issuing Party indicates rules, which in the tax year 2019 were not applied or were applied to a limited extent.

PART I. INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

Rule I.Z.1. - A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation:

- **Rule I.Z.1.15** – information about the company's diversity policy applicable to the company's governing bodies and key managers; the description should cover the following elements of the diversity policy: gender, education, age, professional experience, and specify the goals of the diversity policy and its implementation in the reporting period; where the company has not drafted and implemented a diversity policy, it should publish the explanation of its decision on its website;

Explanation: In 2019 the Company has neither developed nor implemented a diversity policy with respect to its governing bodies and key managers. Due to the specific nature of the Company's operations and the need to acquire associates with specialist knowledge, the decisive criterion for the Company when selecting associates remains their qualifications and professional experience, regardless of non-specialist criteria such as age or gender. Nevertheless, the Company is aware of the importance of diversity in the recruitment of employees. In the area of personnel policy, the Company, applying the principles of equal treatment and non-discrimination, supports the development of individual talents of employees, whom it treats with dignity and respect regardless of age, gender, professional experience, ethnic origin or nationality.

- **Rule I.Z.1.16.** – information about the planned transmission of a general meeting, not later than 7 days before the date of the general meeting,

Explanation: In 2019 the Company did not broadcast, in the form of audio or video, the General Meeting because it did not have sufficient technical infrastructure to ensure such transmission, and, furthermore, such records would have consisted in the disclosure of the image of the persons participating in the General Meeting, and these persons are not public. Therefore, the disclosure of the image of these persons could lead to the Issuer being accused of unauthorized use of the image. The Issuer does not exclude that the rule will be applied in the future, along with the development of the Company and the development of technical capabilities;

- **Rule I.Z.1.20** – an audio or video recording of a general meeting,

Explanation: In 2019 the Company did not publish on its website the course of the General Meeting due to high costs and low interest of shareholders in participating in the meeting and lack of sufficient technical infrastructure to ensure such transmission. Moreover, such records would have consisted in the disclosure of the image of persons participating in the General Meeting, and these persons are not public. Therefore, the disclosure of the image of these persons could lead to the Issuer being accused of an unauthorized use of the image. The Company does not rule out the possibility of applying the rule in subsequent financial years, i.e. publishing on its website audio recordings of the General Meeting's proceedings, if such interest is shown by the Company's shareholders, including minority shareholders (stock market investors). The Company, immediately after the adoption of resolutions by the General Meeting, publishes a current report containing the content of resolutions adopted by the General Meeting and the content of attachments to these resolutions together with the number of shares from which valid votes were cast, information about the General Meeting's withdrawal from consideration of any of the items on the planned agenda and objections recorded in the minutes during the General Meeting. In the future, in the event of a noticeable increase of interest, the Company will consider the application of this principle;

PART III. INTERNAL SYSTEMS AND FUNCTIONS

Recommendation III.R.1. – The company's structure should include separate units responsible for the performance of tasks in individual systems or functions, unless the separation of such units is not justified by the size or type of the company's activity;

Explanation: In 2019 the Company did not establish a separate internal audit function and did not appoint separate positions in terms of risk management and compliance. In the Company's opinion, the type of business conducted by the Company and its scale do not require the separation of such functions within the Company. Moreover, due to the specific nature of the Company's operations, there is no economic justification for the creation of further administrative posts in the Company's structure. Responsibilities in this respect will be shared by current staff;

Rule III.Z.3 – The independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks.

Explanation: The Company has an Audit Committee. Apart from the Audit Committee, the Company does not plan to establish a separate audit function in its structure. Responsibilities in this respect will be shared by current staff;

Rule III.Z.4 – The person responsible for internal audit (if the function is separated in the company) and the management board should report to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle III.Z.1 and table a relevant report.

Explanation: There is no separate internal audit function in the Company's structure. Responsibilities in this respect will be shared by current staff;

PART IV. GENERAL MEETING, SHAREHOLDER RELATIONS

Recommendation IV.R.2. – If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting.

Explanation: In 2019 the Company did not apply solutions allowing shareholders to participate in the General Meeting using means of electronic communication. In particular, the Company did not audio or video broadcast the General Meeting, and did not apply solutions ensuring two-way communication with shareholders in real time during the General Meeting, because it did not have sufficient technical infrastructure to ensure such transmission (communication) and, moreover, broadcasting the Meeting would consist in the disclosure of the image of persons participating in the General Meeting, and these persons are not public persons. Disclosure of the image of these persons could lead to the Issuer being accused of an unauthorized use of the image. Additionally, in the Company's opinion, the shareholding structure does not justify holding the General Meeting using means of electronic communication. The Company did not receive such a request from the shareholders. The Issuer does not exclude, however, that the recommendation will be followed in the future, together with the development of the Company and a possible change in the shareholding structure justifying holding General Meeting of Shareholders by means of electronic communication;

Rule IV.Z.2. – If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.

Explanation: In 2019 the Company did not broadcast, in the form of audio or video, the General Meeting because it did not have sufficient technical infrastructure to ensure such transmission, and, furthermore, such records would have consisted in the disclosure of the image of the persons participating in the General Meeting, and these persons are not public. Therefore, the disclosure of the image of these persons could lead to the Issuer being accused of an unauthorized use of the image. Additionally, in the Company's opinion, the shareholding structure does not justify broadcasting the General Meeting in real time. However, the Issuer does not exclude that the rule will be applied in the future, together with the development of the Company and a possible change in the shareholding structure justifying the transmission of the General Meeting's debates in real time;

Rule IV.Z.3 – Presence of representatives of the media should be allowed at general meetings

Explanation: The Company allows for the presence of the media during a general meeting upon prior authorisation;

PART VI. REMUNERATION

Recommendation VI.R.1 – The remuneration of members of the company's governing bodies and key managers should follow the approved remuneration policy;

Explanation: The Company has not implemented a remuneration policy as remuneration of members of the Company's bodies and key managers is subject to individual arrangements and decisions of the relevant Company bodies. Remuneration in the Company is adequate to the scope of tasks, level of competence, level of responsibility on a given position, obtained economic results of the Company, contribution of given persons to the development of the Company. Due to legal changes and the obligation of the General Meeting of Shareholders to adopt a remuneration policy, the Company is planning to develop and implement a remuneration policy for the Management Board and the Supervisory Board within the scope and deadlines resulting from the generally applicable law;

Recommendation VI.R.2 – The remuneration policy should be closely tied to the company's strategy, its short- and long-term goals, long-term interests and results, taking into account solutions necessary to avoid discrimination on whatever grounds;

Explanation: The Company has not implemented a remuneration policy, remuneration of members of the Company's bodies and key managers is subject to individual arrangements and decisions of the relevant Company bodies. Remuneration in the Company is adequate to the scope of tasks, level of competence, level of responsibility on a given position, obtained economic results of the Company, contribution of given persons to the development of the Company. Due to legal changes and the obligation of the General Meeting of Shareholders to adopt a remuneration policy, the Company is planning to develop and implement a remuneration policy for the Management Board and the Supervisory Board within the scope and deadlines resulting from the generally applicable law;

Recommendation VI.R.4. – The remuneration levels of members of the management board and the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. Remuneration should be adequate to the scope of tasks delegated to individuals, taking into account additional functions, for instance on supervisory board committees.

Explanation: In November 2019 the Appointment and Remuneration Committee was established within the Supervisory Board of the Company. Members of the Committee were not remunerated for the additional function. This is due to the fact that determining the rules of remuneration of the members of the Supervisory Board falls within the competence of the General Meeting of Shareholders of the Company (article 12(5)(11) of the Company's Articles of Association). The Management Board plans to place the issue of remuneration of the members of the Supervisory Board for their functions in the Appointment and Remuneration Committee (from the date of their appointment in the Committee) on the agenda of the next General Meeting of Shareholders of the Company.

Rule VI.Z.2 – To tie the remuneration of members of the management board and key managers to the company's long-term business and financial goals, the period between the allocation of options or other instruments linked to the company's shares under the incentive scheme and their exercisability should be no less than two years.

Explanation: The company does not apply the above rule to financial instruments acquired by participants of the Company's incentive scheme;

Rule VI.Z.4 – In the report on its, the company should report on the remuneration policy including at least the following: 1) general information about the company's remuneration system; 2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group; 3) information about non-financial remuneration components due to each management board member and key manager; 4) significant amendments of the remuneration policy in the last financial year or information about their absence; 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.;

Explanation: In 2019 the Company did not apply a formalised remuneration policy and therefore did not draft a report in this respect.

3. DESCRIPTION OF THE MAIN CHARACTERISTICS OF INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS USED IN THE ISSUER'S ENTERPRISE AND CAPITAL GROUP IN RELATION TO THE DRAFTING OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board of each of the companies in the Ten Square Games S.A. Capital Group is responsible for the internal audit system in the company and its effectiveness in the process of drafting financial statements.

Substantive supervision of the process of drafting the Issuer's financial statements and periodic reports is exercised directly by the Management Board. The Management Board is also directly responsible for organising the work related to the drafting of the financial statements required by the regulations.

Statement on application of corporate governance
principles

In 2019 the books of Ten Square Games S.A. Capital Group companies were kept by its own internal accounting department.

The financial data underlying the financial statements come from the accounting and financial system, where transactions are recorded in accordance with the Company's accounting policy based on International Accounting Standards. For the consolidated accounts, the data are taken directly from the accounting system and are then subject to consolidation adjustments.

The financial statements drafted by the Management Board are submitted to the Supervisory Board in order to undertake actions provided for in the provisions of the Commercial Companies Code, i.e. to assess them.

The annual and semi-annual financial statements (consolidated and separate for the Issuer) are subject to an independent audit/review by an auditor appointed by the Company's Supervisory Board. The results of the audit shall be submitted to the Management Board and Supervisory Board, and the report on the audit of the annual report shall also be submitted to the General Meeting.

The financial statements of the subsidiaries are not required to be audited in accordance with the Accounting Act of September 29th 1994. These reports shall be submitted for approval to the Ordinary General Meeting of Shareholders of a relevant company.

4. SHAREHOLDERS DIRECTLY OF INDIRECTLY HOLDING LARGE BLOCKS OF SHARES

In accordance with the statements received by the Company under the applicable laws, the table below presents the shareholders holding directly or indirectly at least 5% of the total number of votes at the General Meeting of Shareholders as at 31st December 2019:

Shareholder	number of shares	share in the share capital	number of votes at GSM	% in the number of votes
Shareholders' Agreement ¹ including:	4,603,750	63.58%	4,603,750	63.58%
Maciej Popowicz	2,852,500	39.39%	2,852,500	39.39%
Arkadiusz Pernal	1,365,000	18.85%	1,365,000	18.85%

¹Consistent with current report no. 30 of 21 October 2019

After 31 December 2019 owners of shares changed. The table below presents the shareholders holding directly or indirectly at least 5% of the total number of votes at the General Meeting of Shareholders as at 23 March 2020.

Shareholder	number of shares	share in the share capital	number of votes at GSM	% in the number of votes
Shareholders' Agreement ¹ including:	3,631,526	50.15%	3,631,526	50.15%
Maciej Popowicz	2,200,788	30.39%	2,200,788	30.39%
Arkadiusz Pernal	1,053,138	14.54%	1,053,138	14.54%

¹Consistent with current report no. 10 of 31 January 2020

5. HOLDERS OF ANY SECURITIES ENTITLING TO SPECIALS CONTROL COMPETENCES WITH A DESCRIPTION OF THOSE COMPETENCES

All shares of the Issuing Party are ordinary bearer shares. Each share gives the right to one vote at the General Meeting of Shareholders. No preference is attached to the shares, in particular concerning special control powers.

Shareholders Maciej Popowicz and Arkadiusz Pernal are granted personal rights to appoint members of the Supervisory Board, as provided for by the Articles of Association. In accordance with the Articles of Association, as long as Maciej Popowicz is a shareholder of the Company holding shares in the Company: 1) representing at least 10%, but not more than 20% of the Company's share capital – shareholder Maciej Popowicz has the personal right to appoint and dismiss 1 (one) member of the Supervisory Board acting as the Chair of the Supervisory Board; 2) representing at least 20%, but not more than 30% of the Company's share capital – shareholder Maciej Popowicz has the personal right to appoint and dismiss 2 (two) members of the Supervisory Board, including one acting as Chair of the Supervisory Board; 3) representing at least 30% of the Company's share capital – shareholder Maciej Popowicz has the personal right to appoint and dismiss 3 (three) members of the Supervisory Board, including one acting as Chair of the Supervisory Board.

As long as Arkadiusz Pernal is a shareholder of the Company holding shares representing at least 10% of the Company's share capital, Arkadiusz Pernal is entitled to appoint and dismiss 1 (one) member of the Supervisory Board.

6. ALL LIMITATIONS OF VOTING RIGHTS

The Company's Articles of Association

In accordance with the Company's Articles of Association, there are no restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a specific part or number of votes, time restrictions on the exercise of voting rights or provisions under which capital rights related to securities are separated from the holding of securities.

Agreement with Haitong Bank S.A. branch in Poland

Maciej Popowicz made a commitment to Haitong Bank S.A. Spółka Akcyjna Oddział w Polsce, acting as the Offerer, Coordinator of the Offer and Bookrunner in relation to the public offering of the Company's shares and applying for admission and introduction of the Company's shares to trading on the regulated market operated by the Warsaw Stock Exchange, that in the period from 29 March 2018 and for a period of 12 months from the date of allotment of the shares constituting the subject of the public offering, without the prior written consent of the Offerer, it shall not request, convene or take other actions aimed at convening the General Meeting of the Company, the subject of which would be to adopt resolutions on (i) increasing the Company's share capital through the issue of new shares or (ii) conditional increasing of the Company's share capital and the related issue of subscription warrants entitling to take up the Company's shares (jointly "Resolutions" and individually "Resolution"). In the event that a General Meeting of the Company is convened (during the period indicated above), on the agenda of which the adoption of any of the Resolutions is included, Maciej Popowicz has undertaken to participate in such General Meeting and has undertaken that without the prior written consent of the Offerer, he shall not vote "for" the adoption of any of the Resolutions. The obligation referred to above expired on 25 April 2019.

7. INDICATION OF ANY RESTRICTIONS ON THE TRANSFER OF OWNERSHIP OF THE ISSUER'S SECURITIES

The Company's Articles of Association

In accordance with the Company's Articles of Association, there are no limitations on the transfer of ownership of securities of the Issuing Party.

Agreement with Haitong Bank S.A. branch in Poland

On 29 March 2018 the Company and all shareholders of the Company concluded with Haitong Bank S.A. branch in Poland, acting as the Offeror, Coordinator of the Offer and Bookrunner in connection with the public offering of the Company's shares and applying for admission and introduction of the Company's shares to trading on the regulated market operated by the Warsaw Stock Exchange, agreement on limitation of disposal of the Company's shares in connection with the initial public offering and admission and introduction of the Company's shares to trading on the regulated market (the "Lock-Up Agreement").

Details concerning restrictions on the transfer of ownership rights to the Issuer's shares established by the Lock-Up Agreement have been indicated in the content of the Company's Prospectus in the part entitled Terms and Conditions of *the Offer – Underwriting, stabilisation and contractual restrictions on the transferability of Shares*.

The obligation referred to above expired on 25 April 2019.

Agreement with WOOD & COMPANY Financial Services a.s.

In connection with the accelerated book-building process addressed only to selected investors meeting certain criteria ("ABB"), the Company's shareholders, Maciej Popowicz and Arkadiusz Pernal, committed to WOOD&Company Financial Services a.s. to comply with the restrictions on the transferability of the Company's remaining shares held by ABB for a period of 180 days from the settlement date of the sale transaction. The sale transaction was settled on 31st January 2020.

Incentive scheme

In March 2018, the General Meeting of Shareholders implemented an incentive scheme for key employees and associates of the Ten Square Games S.A. Capital Group.

Based on the programme resolution, the Company's share capital, excluding pre-emptive rights of the existing shareholders, was conditionally increased by up to PLN 6,547.50 through the issue of up to 65,475 Series B ordinary registered shares with a par value of PLN 0.10 per share. Pursuant to the Resolution concerning the scheme series B shares could be acquired by holders of series A registered subscription warrants issued in the maximum number of 65,475.

In January 2019 the General Meeting of Shareholders adopted an amendment to the incentive scheme consisting in:

- a) replacement of the conditional share capital with the target capital;
- b) revoking of subscription warrants – participants of the scheme receive, after meeting its conditions, bearer shares that have limited lock-up during the period specified in the program regulations;
- c) increase of the pool of shares possible to be granted in the years of the programme (scheme pool after changes: 101,850 ordinary series B bearer shares with a nominal value of PLN 0.10).

The incentive scheme covers the years 2018-2020 and the shares may be acquired in three tranches – for the financial year 2018 (tranche I), 2019 (tranche II) and 2020 (tranche III).

Beneficiaries of the scheme will be allowed sell shares acquired within Tranche I not earlier than 1 July 2020. Beneficiaries of scheme will be allowed to sell shares acquired within Tranche II not earlier than 1 January 2021. Beneficiaries of the scheme will be allowed to sell shares acquired within Tranche III not earlier than 1 September 2021.

In 2018, 2019 and 2020 the Issuer's Supervisory Board adopted resolutions on the establishment of the list of Scheme Beneficiaries and made the initial allocation of 81,612 Warrants (currently: shares): 16,245 under tranche I, 26,915 under tranche II and 38,452 under tranche III.

8. DESCRIPTION OF THE RULES FOR APPOINTING AND DISMISSING MANAGERS AND THEIR RIGHTS, IN PARTICULAR THE RIGHT TO DECIDE ON THE ISSUE OR REDEMPTION OF SHARES

Members of the Management Board of Ten Square Games S.A. are appointed and dismissed in accordance with the provisions of the Commercial Companies Code and the Company's Articles of Association. The Management Board consists of one to five persons and is composed of the President of the Management Board and Vice Presidents and Members of the Management Board. The Management Board is appointed and dismissed by the Supervisory Board. The joint term of office of members of the Management Board shall be 3 years. The term of office of members of the Management Board shall expire at the latest on the date of the General Meeting of Shareholders approving the financial statements for the last full financial year in which the member served on the Management Board. The term of a member of the Management Board shall also expire as a result of their death, resignation or dismissal. Members of the Management Board may be reappointed to the Management Board for the next term of office.

If the Management Board is appointed by several persons, two members of the Management Board acting jointly or one member of the Management Board acting together with a proxy are authorised to represent the Company. In the case of a single-member Management Board, one member of the Management Board acting independently is entitled to represent the Company.

The Management Board conducts the Company's affairs, manages its assets and represents it externally; moreover, the powers of the Management Board include all matters not reserved for the General Meeting of Shareholders or the Supervisory Board.

The Issuer's Management Board is not entitled to make an independent decision on the issue of shares. In accordance with the applicable regulations and the Company's Articles of Association, the Company's share issue and share capital increase requires a relevant resolution of the General Meeting.

On 14th January 2019, the Issuer's Extraordinary General Meeting of Shareholders adopted a resolution authorising the Company's Management Board to increase the Company's share capital by the amount not higher than PLN 10,185.00 (ten thousand one hundred and eighty-five zloty 00/100) by issuing not more than 101,850 (one hundred and one thousand eight hundred and fifty) series B ordinary bearer shares with a nominal value of PLN 0.10 (in words: ten grosz) each by 31st December 2021 by making one or more subsequent increases in the share capital within the limits of the authorised capital solely for the purpose of implementing the incentive scheme and in accordance with the terms and conditions of implementing the incentive scheme set out in the regulations of the scheme and in a resolution of the Extraordinary General Meeting.

The Board of the Issuing Party is entitled to purchase shares of the Company only in accordance with the rules specified in the Commercial Companies Code regulations on purchase of own shares.

9. DESCRIPTION OF THE RULES OF AMENDMENTS TO THE ISSUER'S ARTICLES OF ASSOCIATION

In accordance with article 430(1) of the Commercial Companies Code, an amendment to the Articles of Association requires a resolution of the General Meeting and an entry in the register.

In accordance with article 402(2) of the Polish Commercial Companies Code, in the announcement of convening the General Meeting, the agenda of which provides for the intended amendment of the Articles of Association, the existing provisions should be referred to, as well as the content of the proposed amendments.

If it is justified by the significant scope of intended changes, the announcement may include a draft of a new consolidated text

of the Articles of Association together with a list of new or amended provisions of the Articles of Association.

Pursuant to article 415(1) of the Commercial Companies Code, a resolution to amend the Articles of Association is adopted by a three-fourths majority of votes, however, pursuant to article 415(3) of the Commercial Companies Code, a resolution to amend the Articles of Association increasing the benefits for shareholders or decreasing the rights granted personally to individual shareholders requires the consent of all the shareholders concerned.

10. THE MANNER OF OPERATION OF THE GENERAL MEETING AND ITS BASIC POWERS, AS WELL AS A DESCRIPTION OF SHAREHOLDERS' RIGHTS AND THE MANNER OF THEIR EXECUTION, IN PARTICULAR THE RULES RESULTING FROM THE REGULATIONS OF THE GENERAL MEETING, IF SUCH REGULATIONS HAVE BEEN ADOPTED, UNLESS THE INFORMATION IN THIS RESPECT RESULTS FROM LEGAL REGULATIONS

The Manner of operation of the General Meeting

In 2019 the General Meeting of the Company was held twice. The General Meetings of Shareholders were held on the basis of the provisions of the Commercial Companies Code, the Company's Articles of Association and the Rules of the General Meeting of Shareholders.

General Meetings may be held in the Company's seat or in Warsaw. The General Meeting may be ordinary or extraordinary. An Ordinary General Meeting shall be convened by the Management Board not later than within 6 (six) months after the end of each financial year. If the Management Board fails to convene the Ordinary General Meeting within the specified period, the Supervisory Board is entitled to convene the Ordinary General Meeting. An Extraordinary General Meeting of Shareholders shall be convened by the Management Board to consider matters requiring immediate resolution, on its own initiative, at the request of the Supervisory Board or shareholders representing at least 1/20 of the share capital. The General Meeting shall be called by an announcement, which should be made at least 3 (three) weeks before the date of the General Meeting, and if the Company becomes a public partnership, the General Meeting is called by an announcement on the website of the Partnership, which should be made at least 26 (twenty six) days before the date of the General Meeting.

Resolutions can also be adopted without formally convening the General Meeting, if the entire share capital is represented, and none of those present raises an objection to holding the General Assembly or to placing particular issues on the agenda. Unless the provisions of the Commercial Companies Code or the Articles of Association provide otherwise, the General Shareholders Meeting is valid and may adopt resolutions regardless of the number of shares represented at it. Resolutions of the General Meeting are adopted by an absolute majority of votes, unless other provisions of the Articles of Association or the Commercial Companies Code state otherwise. Voting at the General Meeting is open. Secret ballot shall be ordered for elections and motions to dismiss members of the Company's bodies or liquidators, to hold them liable, in personal matters and at the request of at least one shareholder present or represented at the General Meeting.

The General Meeting is opened by the Chair of the Supervisory Board, or in his or her absence by one of the members of the Management Board, or in their absence by the President of the Management Board or a person appointed by the Management Board. Subsequently the Chair of the General Meeting is elected from among those entitled to participate in the General Meeting. The General Meeting may adopt resolutions only on matters included in the agenda, unless the entire share capital is represented at the General Meeting and none of those present has objected to the adoption of the resolution.

In January 2019 the Extraordinary General Meeting of Shareholders adopted the Rules of the General Meeting, the content of which is published on the Issuer's website: <https://tensquaregames.com/investors>.

In accordance with the Rules of the General Meeting of Shareholders, the General Meeting of Shareholders is convened by way of an announcement published on the Partnership's website and in the manner specified for the provision of current information in accordance with the regulations on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies. The announcement should be made at least 26 (twenty six) days before the date of the General Meeting. The General Meeting may be cancelled, if it encounters extraordinary obstacles or is obviously pointless. Cancellation of the General Meeting, the agenda of which includes certain issues or which was convened

at the request of authorized entities, is possible only with the applicants' consent. Cancellation of the General Meeting takes place in the same manner as convening, ensuring that negative consequences for the Company and its shareholders are minimised. The change of the date of the General Meeting shall be made in the same manner as its cancellation, even if the proposed agenda has not changed.

The person opening the Meeting shall take actions aimed at the immediate election of the Chair, they shall also supervise the course of voting on this matter and shall chair the meeting until the Chair is elected. The Chair shall be elected from among persons entitled to participate in the General Meeting, with each shareholder having the right to propose one candidate. If more than one candidate for the Chair is proposed, the person opening the Meeting shall draw up a list of candidates, provided that they agree to be candidates. The person with the highest number of votes shall become the Chair. If the same number of votes is obtained by at least two candidates, a supplementary vote is ordered until the election of the Chair. The vote on the election of the Chair shall be secret. Immediately after the election, the Chair signs the list of attendance at the General Meeting and verifies the correctness of its convening and ability to adopt resolutions included in the agenda.

The Chair may bring matters of order to the agenda. The Chair may order breaks in the session (does not apply to the break referred to in article 408(2) of the Commercial Companies Code, which is resolved by the General Meeting). Breaks shall be ordered in justified cases and in a manner that does not hinder the exercise of shareholders' rights. In the event of an objection to holding a break, submitted by at least one shareholder, the motion for a break shall be put to a vote of the General Meeting.

Activities related to the handling of the course of the General Meeting shall be conducted by the Management Board, however, the Management Board may commission these activities to an entity specializing in this field. The order may concern in particular the handling of voting together with the calculation of the number of votes, using computer equipment.

The General Meeting may appoint a returning committee whose tasks include overseeing the proper conduct of voting. If a returning committee has not been appointed, its tasks shall be performed by the Chair.

After confirming the correctness of the convening of the General Meeting and its ability to adopt valid and binding resolutions, and in the event that a returning committee is appointed afterwards, the Chair presents the proposed agenda and conducts a vote on its approval. The General Meeting may adopt the proposed agenda without changes, change the order of particular items on the agenda or remove certain items from the agenda, with the proviso that a resolution to remove an item from the agenda may only be adopted if there are good reasons for doing so and the petitioner should provide a detailed justification. Removal from the agenda or failure to consider by the General Meeting of Shareholders an issue placed on the agenda at the request of a shareholder requires the adoption of a resolution of the General Meeting of Shareholders after prior consent of all shareholders who submitted such a request. The Chair has no right, without the consent of the General Meeting, to remove items from the agenda or change their order on the agenda.

After the presentation of each item on the agenda, the Chair shall open the discussion, giving the floor in the order in which it came forward. The Chair may give the floor to members of the Management Board and Supervisory Board and invited experts out of turn. The Chair may decide to deny the floor to a person whose speech deviates from the subject matter of the discussion or exceeds a reasonable speaking time. On formal matters, the Chair shall give the floor out of order. After closing the discussion, the Chair shall inform about the proposed wording of the resolution and the content of motions of authorized entities, if any. In the first place, draft resolutions presented by the entity convening the General Meeting shall be put to a vote, and if a motion is made to put a particular issue on the agenda of the General Meeting by other authorized bodies or entities – a draft submitted by these persons.

Voting may be conducted with or without the use of an electronic voting and vote counting system. In the case of voting without the use of the electronic voting and vote counting system, the Management Board of the Company is obliged to prepare an appropriate number of voting cards for each shareholder. Participation in the vote shall be by casting a vote “for”, “against” or “abstaining”. If a participant of the General Meeting does not give a vote in any of the above ways, the vote of the participant shall not be taken into account when calculating the results of such a vote.

In the event that the General Meeting orders a break or breaks in the session, it is not necessary to maintain the subjective identity of the participants of the Meeting in order to maintain the continuity of the Meeting. If the General Meeting orders a break in the proceedings, resolutions adopted before the break are recorded in the minutes, with a note that the General Meeting has been interrupted. After the resumption of the General Meeting, resolutions adopted in this part of the meeting shall be recorded in the separate minutes, and if there are several breaks – in separate sets of minutes. Each notarized minutes shall be accompanied by a list of attendance of the participants of the General Meeting participating in its given part. If the Chair elected before the interruption is not present, the Chair shall be re-elected. The right to participate in the General Meeting shall be decided in accordance with the principles set forth in article 406¹ of the Commercial Companies Code, and the dates indicated therein shall be counted in relation to the announced date of the General Meeting, not in relation to the date of reopening the meeting. In case of a change of the shareholder's representative, if the shareholder is represented by a new proxy, a new power of attorney or other document authorizing to represent the shareholder at the General Meeting must be submitted.

In addition to the minutes drawn up in the form of a notarial deed, the Chair may order additional recording of the course of the whole or part of the meeting by a Secretary specifically designated by him. After the agenda has exhausted, the Chair closes the General Meeting. At that moment it ceases to function as a body of the Company and the present participants of the General Meeting cannot validly pass resolutions.

Essential powers of the General Meeting

The powers of the General Meeting consist in adopting resolutions on matters reserved for its competence by the law or the Company's Articles of Association.

In accordance with the Company's Articles of Association, apart from other matters indicated in the Commercial Companies Code, resolutions of the General Meeting of Shareholders are required for: examination and approval of the Management Board's report on the Company's operations and the financial statements for the previous financial year, distribution of profits or coverage of losses, amount of write-offs to reserve capital and other funds, determination of the date of determining the right to dividend, amount of dividend and date of payment of dividend, acknowledgement of the fulfilment of duties by members of the Company's governing bodies, making decisions concerning claims for remedying the damage caused upon the Company's establishment, management or supervision, disposal or lease of the enterprise or its organised part and establishment of a limited right in rem thereon, liquidation of the Company and appointment of a liquidator, issue of convertible or pre-emptive bonds and subscription warrants as indicated in Article 453(2) of the Commercial Companies Code, acquisition of the Company's own shares in the case specified in Article 362(1)(2) of the Commercial Companies Code and authorization to acquire them in the case specified in Article 362(1)(8) of the Commercial Companies Code, amendment of the Company's Articles of Association, including adoption of resolutions on increasing and decreasing the share capital, conclusion of an agreement on management of a subsidiary, determination of the principles of remuneration of members of the Supervisory Board, adoption of the Regulations of the General Meeting, adoption of resolutions on redemption of shares, determination of the date as of which the list of shareholders entitled to dividend for a given financial year is established (the dividend date), adoption of other decisions provided for in the provisions of law and the Articles of Association, as well as resolution of issues raised by shareholders, the Management Board and the Supervisory Board, dissolution of the Company.

Resolutions of the General Meeting on the issue of convertible or pre-emptive bonds and subscription warrants referred to in Article 453(2) of the Commercial Companies Code and amendments to the Company's Articles of Association, including adoption of resolutions on increasing and decreasing the share capital, shall be adopted by a majority of 3/4 of votes, unless the Commercial Companies Code provides for more stringent conditions.

A resolution concerning the financing by the Company of the purchase or acquisition of shares issued by the Company shall be adopted by a majority of 2/3 of votes. However, if at least half of the share capital is represented at the General Meeting, an absolute majority of votes is sufficient to adopt a resolution.

If a balance sheet drafted by the Management Board demonstrates a loss exceeding the sum of supplementary and reserve capitals and 1/3 of the share capital, an absolute majority of votes shall suffice to adopt a resolution to dissolve the Company.

A resolution to amend the Articles of Association, increase shareholder benefits or reduce the rights granted personally to individual shareholders pursuant to Article 354 of the Commercial Companies Code, requires the consent of all the shareholders concerned.

Acquisition and disposal of real estate, perpetual usufruct or share in real estate or perpetual usufruct or encumbrance thereof, in particular limited property rights, does not require the consent of the General Meeting.

A majority of 2/3 of votes is required to adopt resolutions on a significant change in the Company's business and on a merger of the Company. A significant change in the Company's scope of business may take place without the redemption of shares, if a resolution of the General Meeting concerning such a change is adopted by a majority of 2/3 of votes in the presence of persons representing at least half the share capital.

Resolution on dismissal of the Management Board or a member of the Management Board or suspension of all or part of the members of the Management Board, before the end of the term of office, requires a qualified majority of 2/3 of votes.

One share gives its holder the right to one vote at the General Meeting.

Shareholders' rights and the way of exercising them in the context of the General Meeting of Shareholders

Shareholders' rights and the manner of exercising these rights in connection with the General Meetings of Shareholders held in 2019 were in accordance with the Commercial Companies Code, the Company's Articles of Association and the Rules of the General Meeting.

In January 2019 the Extraordinary General Meeting of Shareholders adopted the Rules of the General Meeting, the content of which is published on the Issuer's website: <https://tensquaregames.com/investors>.

The Rules of the General Meeting of Shareholders indicate the following rights of shareholders, specifying the manner of exercising them:

- **request to convene a General Meeting:** to be submitted to the Management Board: 1) in writing (i.e. delivered in person against confirmation of submission or sent to the Company against confirmation of receipt) to the address of the Company's registered office; 2) in electronic form in the PDF file format sent to the e-mail address wza@tensquaregames.com; together with the necessary documentation, in particular the documentation necessary for the Management Board to announce the General Meeting. Together with the request, the shareholder sends a copy (scan) of the registered deposit certificate and copies (scans) of documents allowing the identification of the shareholder and persons acting on their behalf. The request to convene the General Meeting should be justified;
- **request to put certain matters on the agenda:** it should be submitted to the Management Board not later than twenty-one days before the scheduled date of the Meeting. The request should include a justification or a draft resolution concerning the proposed agenda item. The request may be submitted 1) in writing (i.e. delivered in person against confirmation of submission or sent to the Company against confirmation of receipt) to the address of the Company's registered office; 2) in electronic form in the PDF file format sent to the e-mail address wza@tensquaregames.com. Together with the request, the shareholder sends a copy (scan) of the registered deposit certificate and copies (scans) of documents allowing the identification of the shareholder and persons acting on their behalf;
- **submitting draft resolutions concerning matters to be included in the agenda:** a shareholder or shareholders representing at least one-twentieth of the share capital may, before the date of the General Meeting, submit to the Company draft resolutions concerning matters included in the agenda of the General Meeting or matters to be included in the agenda. The request should include a justification or a draft resolution concerning the proposed agenda item. A request may be made: 1) in writing (i.e. delivered in person against confirmation of submission or sent to the Company against confirmation of receipt) to the address of the Company's registered office; 2) in electronic form in the PDF file format sent to the e-mail address wza@tensquaregames.com. Together with the request, the shareholder sends a copy (scan) of the registered deposit certificate and copies (scans) of documents allowing the identification of the shareholder and persons acting on their behalf;

- **submitting draft resolutions during the General Meeting of Shareholders:** each shareholder may, during the General Meeting of Shareholders, submit draft resolutions concerning matters included in the agenda;
- **participation in the General Meeting:** the right to participate in the General Meeting is vested in persons who are shareholders of the Company on the Participation Registration Date, i.e. on the registration date falling sixteen days before the General Meeting. The date of Registration of Participation is uniform for holders of bearer shares and registered shares;
- **reviewing the list of shareholders:** a shareholder may review the list of shareholders entitled to participate in the General Meeting in the premises of the Management Board and request a copy of the list against reimbursement of its execution;
- **demand to send the list of shareholders:** a shareholder of the Company may demand that the list of shareholders entitled to participate in the General Meeting be sent to him or her free of charge by e-mail to their own e-mail address;
- **participation in the General Meeting in person or by proxy:** a shareholder who is a natural person may participate in the General Meeting and exercise their voting rights in person or by proxy(s). A shareholder who is not a natural person may participate in the General Meeting and exercise the right to vote by a person entitled to make declarations of will on their behalf or by proxy(s). A power of attorney to participate in the General Meeting and exercise the voting right must be granted in writing or in electronic form. A written document confirming the right to represent a shareholder at the General Meeting is presumed to be legal, unless its authenticity or validity prima facie raises doubts of the Company's Management Board or the Chair of the General Meeting. Granting a power of attorney in electronic form does not require a secure electronic signature verified with a valid qualified certificate. The Company should be notified of granting the power of attorney in electronic form to the following e-mail address: wza@tensquaregames.com. Together with the notice of granting the power of attorney in electronic form, the shareholder must send a scan of the power of attorney granted and a scan of documents allowing to identify the shareholder as the principal and the appointed proxy;
- **request to check the attendance list:** at the request of shareholders holding one-tenth of the share capital represented at the General Meeting, the attendance list should be checked by a committee elected for this purpose, composed of at least three persons. Applicants shall have the right to choose one member of the committee;
- **candidacy for a member of a returning committee and Chair of the General Meeting and the right to propose a candidate for a member of a returning committee and Chair;**
- **taking the floor in a discussion:** After the presentation of each item on the agenda, the Chair shall open the discussion, giving the floor in the order in which it came forward. The floor may be taken only on matters on the agenda and currently under discussion. The Chair may decide to deny the floor to a person whose speech deviates from the subject matter of the discussion or exceeds a reasonable speaking time;
- **to propose amendments to the content of resolutions:** until a vote on a draft resolution is ordered, an entity or other entitled person, who submits a draft resolution, may submit self-amendments to it. A draft resolution shall then be considered to be a text with the introduced self-correction. Other amendments to the main motion (draft resolution) and other motions and draft resolutions submitted by authorized persons shall be put to a vote in the next order, according to the order of submissions, unless further voting on a given matter on the agenda becomes groundless;
- **voting:** Participation in the vote shall be by casting a vote “for”, “against” or “abstain”. If a participant of the General Meeting does not give a vote in any of the above ways, the vote of the participant shall not be taken into account when calculating the results of such a vote;

- **to request a secret ballot;**
- **voting differently from each of the shares held:** before each vote, the Chair should enable the shareholders who wish to take advantage of this possibility to vote differently from each of the shares held, in accordance with Article 411(3) of the Commercial Companies Code;
- **objection:** after each vote, the Chairman of the General Meeting must enable the shareholders participating in the vote and voting against to make their objection and its concise justification;
- **submission of the motion to elect the Supervisory Board by way of group voting:** the motion to elect **he Supervisory Board by way of group voting** shall be submitted by the shareholders to the Company's Management Board in writing within a period enabling the inclusion of the election of the Supervisory Board members in groups on the agenda of the General Meeting.

11. COMPOSITION AND CHANGES IN COMPOSITION THAT OCCURRED DURING THE LAST FINANCIAL YEAR AND A DESCRIPTION OF THE ACTIVITIES OF THE ISSUER'S MANAGEMENT, SUPERVISORY OR ADMINISTRATIVE BODIES AND THEIR COMMITTEES

As at 31st December 2019, the composition of the governing bodies was as follows:

The Management Board:

Maciej Popowicz – President of the Management Board;

Arkadiusz Pernal – Vice-President of the Management Board;

Magdalena Jurewicz – Member of the Management Board.

Rules of operation of the Company's

Management Board

Two members of the Management Board acting jointly were authorised to represent the Company in 2019.

In 2019, the Company's Management Board acted on the basis and within the limits of generally applicable law, including the provisions of the Commercial Companies Code, as well as on the basis of the Company's Articles of Association and other provisions of internal acts of the Company. The Management Board applied and followed the set of corporate governance rules, to the extent in which the Company did not deviate from the provisions of the rules, issued by the entity operating the regulated market.

In accordance with the Articles of Association, resolutions of the Management Board shall be adopted by an absolute majority of votes cast. In the event of a tie, the President of the Management Board shall have the deciding vote. The Management Board shall be deemed capable of adopting resolutions, if each member of the Management Board has been notified in writing of the meeting to be held and at least half of the total number of Management Board members are present at the meeting. Meetings of the Management Board shall be held in a place indicated by the Management Board or using means of direct remote communication. Each member of the Management Board is entitled to convene a meeting. Each member of the Management Board must receive a written notification at least 7 (seven) days before the date of the meeting. In urgent cases, the President of the Management Board may order a different way and shorter deadline for notifying Management Board members of the date of the meeting or order a meeting to be held outside the Company's seat. Resolutions of the Management Board may be adopted if all members of the Management Board have been properly notified of the date and place of the meeting.

A member of the Management Board shall inform the Management Board of any conflict of interest in connection with the function held or of the possibility of its occurrence and shall refrain from taking part in a discussion and abstain from voting on the resolution on the matter in which the conflict of interest has occurred.

As at 31st December 2019, the composition of the governing bodies was as

follows: Supervisory Board:

Maciej Zużalek – Chairman of the Supervisory Board;
Rafał Olesiński – Vice-Chairman of the Supervisory Board;
Marcin Chruszczyński – Member of the Supervisory Board;
Tomasz Drożdżyński – Member of the Supervisory Board;
Maciej Marszałek – Member of the Supervisory Board;
Wiktor Schmidt – Member of the Supervisory Board;
Milena Olszewska - Miszuris – Member of the Supervisory Board, who was appointed to the Supervisory Board by the Extraordinary General Meeting of 14 January 2019.

Rules of operation of the Company's Supervisory Board

In 2019, the Company's Supervisory Board acted on the basis and within the limits of generally applicable laws, including the provisions of the Commercial Companies Code, as well as on the basis of the Company's Articles of Association, and other provisions of internal laws of the Company. The Supervisory Board accepted and followed the recommendations and principles of corporate governance and other provisions of laws enacted by the entity operating the regulated market.

The Supervisory Board shall exercise permanent supervision over the Company's operations in all areas of its activity.

The Supervisory Board is a collegial body and consists of 6 (six) to 7 (seven) members. Meetings of the Supervisory Board shall be convened by the Chair, and in the absence (or lack) of the Chair, by the Deputy Chair. Meetings of the Supervisory Board are held as required, but at least three times in a financial year. A meeting of the Supervisory Board shall be held at the Company's registered office or in Warsaw or in any other place accepted by all members of the Supervisory Board.

The Supervisory Board makes decisions in the form of resolutions, if at least half of its members are present at the meeting and all its members have been invited. Resolutions of the Supervisory Board shall be passed by an absolute majority of votes, in the presence of at least half of its members, unless the law or provisions of the Articles of Association provide for stricter conditions for passing resolutions. If the vote remains unresolved (including due to an even number of members of the Supervisory Board), the vote of the Chair of the Supervisory Board shall prevail.

Voting shall be public. A secret ballot shall be ordered when voting on all personal matters. Independently secret ballot is also ordered at the request of at least one Member of the Supervisory Board.

The Chairman (or the Vice-Chair, in the absence or in the case there is no Chair) shall convene a meeting of the Supervisory Board on his or her own initiative or within two weeks of receiving a motion from the Management Board or a member of the Supervisory Board. The request referred to in the preceding sentence must be submitted in writing together with the proposed agenda. The meeting shall be chaired by the Chair of the Supervisory Board, and in their absence by the Vice-Chair or another member of the Supervisory Board. The person presiding over the meeting shall direct its proceedings, give the floor, order votes and announce the results.

The agenda of the meeting shall be determined by the person authorized to convene the meeting of the Supervisory Board. If the Supervisory Board is convened at the request of the Management Board or a member of the Supervisory Board, the agenda should include the matters indicated by the applicant. Members of the Supervisory Board and the Management Board may submit motions to include certain matters on the agenda at the latest three days before the beginning of the Supervisory Board meeting. Applications may be made in writing, either in person or by e-mail or by fax. In matters not included in the agenda, the Supervisory Board may adopt resolutions, if all its members are present and consent to the adoption of a resolution.

The Supervisory Board may also adopt resolutions without being formally convened, if all its members are present and agree to hold a meeting and place particular issues on the agenda.

Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting their votes in writing through another member of the Supervisory Board. The Supervisory Board may adopt resolutions without holding a meeting in writing, as well as using means of direct remote communication (by telephone or in any other way ensuring that all members of the Board may communicate with each other at the same time). A resolution adopted in writing or by means of direct remote communication is valid, if all members of the Supervisory Board have been notified of the content of the draft

resolution and at least half of the members of the Supervisory Board have cast their votes within the prescribed period. Voting in writing through another member of the Supervisory Board or using means of direct remote communication must not relate to matters entered on the agenda at the meeting of the Supervisory Board, nor may it relate to the election of the Chair and Vice-Chair of the Supervisory Board, the appointment of members of the Management Board or the dismissal or suspension of these persons.

A member of the Supervisory Board shall inform the other members of the Supervisory Board about an existing or potential conflict of interest and shall refrain from taking part in the discussion and from voting on the adoption of a resolution on the matter in which the conflict of interest has arisen.

A member of the Supervisory Board makes a declaration to the other members of the Supervisory Board that he or she meets the independence criteria. An independent member of the Supervisory Board should provide the Management Board with information on any circumstances that cause them to lose their independence.

Minutes of a meeting of the Supervisory Board shall be taken by a person presiding over the meeting or a person appointed by them. Minutes should be drawn up on an ongoing basis during a Supervisory Board meeting. Minutes should be signed by all Supervisory Board members present at the meeting. Minutes must also be signed by a minutes secretary, if they have been appointed.

The Supervisory Board may appoint commissions or committees (including the Audit Committee or the Remuneration Committee), both permanent and acting until specific issues are clarified, provided that the subject of the commission or committee's work must fall within the competence of the Supervisory Board. The Supervisory Board determines the composition, organisation, operation and powers of the committees and commissions to be appointed.

Audit Committee

As at 31 December 2019, the composition of the Audit Committee was as follows:

Marcin Chruszczyński – Chairman of the Audit Committee;

Maciej Marszałek – Member of the Audit Committee;

Rafał Olesiński – Member of the Audit Committee;

Milena Olszewska-Miszuris – Member of the Audit Committee.

Milena Olszewska - Miszuris has been sitting on the Audit Committee since September 9 2019.

As at 31st December 2019 Marcin Chruszczyński, Maciej Marszałek and Milena Olszewska - Miszuris fulfilled the independence criteria set out in Article 129(3) of the Act of 11th May 2017 on statutory auditors, audit firms and public supervision.

Persons knowledgeable and skilled in accounting or auditing and in the industry in which the Company operates:

- Marcin Chruszczyński – experience gathered during many years of employment in the financial services sector in senior, responsible positions, among others in PwC in Rotterdam and Wrocław, Bank of New York Mellon and currently in O&W Analytics Sp. z o.o., confirmed additionally by an ACCA certificate (the Association of Chartered Certified Accountants) and his membership in the ACCA Association. In addition, Marcin Chruszczyński was employed for 5 years as Chief Operating and Financial Officer at Nasza Klasa Sp. z o.o., an entity managing the NK.pl social platform, which was one of the largest social networking platforms for online games in Poland;
- Maciej Marszałek – experience gathered during many years of employment in the financial sector (Bank Millennium, Link4 and AXA Group) in the areas of marketing and Internet sales.

Persons skilled and knowledgeable in the field of accounting or auditing:

- Milena Olszewska - Miszuris gathered knowledge and skills in the field of accounting and auditing while studying the following majors: Quantitative Methods and Information Systems, Finance and Banking with a specialization in Investment Banking at the Warsaw School of Economics and during many years of employment in the analytical

industry related to securities. In addition, Milena Olszewska - Miszuris holds three international certificates in finance: CFA (Chartered Financial Analyst), ACCA (Association of Chartered Certified Accountants) and FSA Credential (Fundamentals of Sustainability Accounting).

Persons skilled and knowledgeable in the industry in which the Company operates:

- Rafał Olesiński has knowledge and skills in the broadly understood field of new technologies, legal matters (including those specific to the industry in which the Company operates) and taxes.

The Audit Committee advises the Supervisory Board and the Company and provides them with consultation. The Committee performs the activities provided for in the Rules of Audit Committee, resolutions of the Supervisory Board, in the Act on Statutory Auditors, Audit Firms and Public Supervision, in Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16th April 2014 on detailed requirements regarding statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC and in other regulations on the functioning of public companies.

Rules of operation of the Company's Audit Committee

The Audit Committee operates on the basis of its Rules. In order to fulfil its tasks, the Committee may:

- demand, without the intermediation of the Supervisory Board, that information, explanations and documents necessary to perform the tasks of the Committee be provided;
- require the entity auditing the financial statements to discuss with the Committee, Supervisory Board or Management Board the key issues arising from the audit;
- invite third parties, in particular experts in specific fields, to meetings or sittings of the Committee, while keeping the information thus obtained confidential;
- request the Supervisory Board to commission external experts to draft expert opinions and opinions in the scope related to the work of the Audit Committee.

The Audit Committee acts and adopts resolutions collectively. Meetings shall be convened by the Chair of the Committee or a person authorised by them. In case of a justified need, the meeting may be called by the Chair of the Supervisory Board, Vice-Chair or a person authorized by the Chair of the Supervisory Board. The other members of the Supervisory Board should also be informed about the date, place and agenda of the planned meeting.

Minutes of the Committee meetings are submitted to the Supervisory Board.

Other members of the Supervisory Board and, at the invitation of the person convening the Committee, members of the Management Board or other third parties may participate in the meetings of the Committee without the right to vote, in particular if the nature of the matters discussed requires their presence. The Committee may adopt resolutions outside the meeting, in writing or by means of direct remote communication.

The provisions of the Rules of the Supervisory Board shall apply accordingly to other matters not regulated in the Rules of the Audit Committee, concerning the convening and course of the Committee meetings, passing resolutions outside the meeting or using means of direct remote communication and taking minutes and other matters not regulated in the Rules of the Audit Committee.

In the financial year 2019 the Audit Committee held four meetings.

Supervision of the Audit Committee in the selection of an audit firm

The process of selecting an audit firm to conduct the statutory audit shall take place at the Company in accordance with the principles set out in the Company's "Policy and procedure for selecting an audit firm to carry out audits of separate and consolidated financial statements".

The Audit Committee recommends an audit firm.

The recommendation of the Audit Committee, if an audit firm is selected to conduct a statutory audit of the Company for the first time, shall include the following elements:

Statement on application of corporate governance
principles

- a proposal of at least two audit firms with a justification and an indication of the Audit Committee's justified preference for one of them,
- a statement that the recommendation is free from third party influence,
- a statement that the Company has not concluded any agreements containing the clauses referred to in article 66(5a) of the Accounting Act of September 29th 1994,
- drafting, resulting from the selection procedure referred to in point 4, of the 'Policy and procedure for selecting an audit firm to perform audits of separate and consolidated financial statements'.

The recommendation of the Audit Committee, where the selection of an audit firm is related to the extension of the audit contract with the existing audit firm, shall include the following elements:

- an auditing firm to whom it proposes to commission to performance of audit,
- a statement that the recommendation is free from third party influence,
- a statement that the Company has not concluded any agreements containing the clauses referred to in article 66(5a) of the Accounting Act of September 29th 1994.

The Audit Committee may take into account in particular the following criteria when making recommendations:

- experience of an audit firm in auditing financial statements and consolidated financial statements of entities, including public companies;
- ability, including human resources and organization, to provide the full range of services specified by the Company in the request for proposal, taking into account the professional nature of this activity;
- the price quoted by the auditing firm;
- the possibility of conducting the examination within the time limits specified by the Company in the request for proposal;
- impartiality and independence of an audit firm in relation to the Company and the Capital Group, within the meaning, in particular, of Articles 69-73 of the Act of 11th May 2017 on Statutory Auditors, Audit Firms and Public Supervision;
- having the power to perform an audit in accordance with the Act of 11th May 2017 on Statutory Auditors, Audit Firms and Public Supervision;
- meeting the conditions to express an impartial opinion in accordance with the Act of 11th May 2017 on statutory auditors, audit firms and public supervision;
- meeting the conditions for the rotation of the audit firm and the key statutory auditor in accordance with the Act of 11th May 2017 on statutory auditors, audit firms and public supervision; and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16th April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC;
- compliance by the audit firm with auditing standards,
- other legitimate criteria, at the discretion of the Audit Committee.

The recommendation of the Audit Committee must also be in line with the Policy for the Provision of Authorised Services. When selecting an audit firm, the Supervisory Board must act in accordance with:

- the principle of rotation of the audit firm, according to which the maximum duration of uninterrupted statutory audit engagements performed by the same audit firm or an audit firm affiliated with that audit firm or any member of the network operating in the countries of the European Union to which those audit firms belong shall not exceed 5 years,
- the grace principle of the audit firm according to which, after the expiry of the maximum uninterrupted period referred to above, the existing audit firm shall not undertake a statutory audit of the Company for the following four years,
- the principle of rotation of the key statutory auditor, according to which the key statutory auditor may not perform a statutory audit in the Company for more than 5 years. The key statutory auditor may re-perform the statutory audit of the Company at least 3 years after the last statutory audit,
- the principle of choosing an audit firm for a minimum period of two years.

The appointment of an audit firm to audit the annual separate and consolidated financial statements for the financial year 2019

was made by the Supervisory Board of the Company in the form of a resolution adopted on 17 May 2019, after the Audit Committee had presented a recommendation meeting the applicable conditions. The Supervisory Board appointed an auditing firm PKF Consult Sp. z o.o. sp. k. to review the semi-annual financial statements of Ten Square Games S.A. and the semi-annual consolidated financial statements of Ten Square Games S.A. Capital Group for the periods from 1 January 2019 to 30 June 2019, from 1 January 2020 to 30 June 2020 and from 1 January 2021 to 30 June 2021, as well as audit of the annual separate financial statements of Ten Square Games S.A. and annual consolidated financial statements of Ten Square Games S.A. Capital Group for the years 2019, 2020 and 2021 and thus decided to extend the agreement with PKF Consult Sp. z o.o. sp.k.

Authorised Services other than Audit or Review

In the financial year 2019 the auditing firm PKF Consult sp. z o.o. sp.k. did not provide for the Company permitted services not consisting in audit or review. Therefore, and as far as the provision of those services is concerned, it was not necessary to assess the independence of the audit firm and to agree to the provision by the audit firm of authorised services which do not consist in audit or review.

Appointment and Remuneration Committee

By virtue of resolutions of the Supervisory Board of the Company dated 22 November 2019, the Appointment and Remuneration Committee was established within the Supervisory Board and the following members of the Appointment and Remuneration Committee were appointed (composition of the Appointment and Remuneration Committee valid as at 31.12.2019):

Milena Olszewska - Miszuris – Chairman of the Appointment and Remuneration Committee

Maciej Zużalek – Member of the Appointment and Remuneration Committee

Viktor Schmidt – Member of the Appointment and Remuneration Committee.

The Appointment and Remuneration Committee advises and provides consultancy for the Supervisory Board with respect to the employment and remuneration of the Management Board members.

Rules of operation of the Appointment and Remuneration Committee

The Appointment and Remuneration Committee operates on the basis of its Rules.

In order to fulfil its tasks, the Committee may:

- demand, without the intermediation of the Supervisory Board, that information, explanations and documents necessary to perform the tasks of the Committee be provided;
- invite third parties, in particular experts in specific fields, to meetings or sittings of the Committee, while keeping the information thus obtained confidential;
- request the Supervisory Board to commission external experts to draft expert opinions and opinions in the scope related to the work of the Appointment and Remuneration Committee.

The Appointment and Remuneration Committee operates and passes resolutions collectively. The Committee shall meet as necessary. Meetings shall be convened by the Chair of the Committee or a person authorised by them. In case of a justified need, the meeting may be called by the Chair of the Supervisory Board, Vice-Chair or a person authorized by the Chair of the Supervisory Board. The other members of the Supervisory Board should also be informed about the date, place and agenda of the planned meeting.

Minutes of the Committee meetings shall be submitted to the Supervisory Board.

Other members of the Supervisory Board and, at the invitation of the person convening the Committee, members of the Management Board or other third parties may participate in the meetings of the Committee without the right to vote, in particular if the nature of the matters discussed requires their presence. The Committee may adopt resolutions outside the

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meeting, in writing or by means of direct remote communication.

The provisions of the Rules of the Supervisory Board shall apply accordingly to other matters not regulated in the Rules of the Audit Committee, concerning the convening and course of the Committee meetings, passing resolutions outside the meeting or using means of direct remote communication and taking minutes and other matters not regulated in the Rules of the Audit Committee.

		date	signature
President of the Management Board	Maciej Popowicz	23/03/2020	<p>MACIEJ JULIUSZ POPOWICZ</p> <p>Electronically signed by MACIEJ JULIUSZ POPOWICZ Date: 2020.03.23 10:27:38 + 01'00'</p>
Vice-President of the Management Board	Arkadiusz Pernal	23/03/2020	<p>ARKADIUSZ PERNAL</p> <p>Electronically signed by ARKADIUSZ PERNAL Date: 2020.03.23 10:32:13 + 01'00'</p>
Member of the Board	Magdalena Jurewicz	23/03/2020	<p>MAGDALENA MARTA JUREWICZ</p> <p>Electronically signed by MAGDALENA MARTA JUREWICZ Date: 2020.03.23 10:36:39 + 01'00'</p>