

**REPORT ON THE OPERATIONS OF THE SUPERVISORY BOARD
OF STS HOLDING S.A. WITH ITS REGISTERED OFFICE IN KATOWICE
IN 2022**

I. COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEE IN 2022

Organisation principles of the Supervisory Board

The principles of organisation and operation of the Supervisory Board of STS Holding S.A. are specified in the Company's Articles of Association and the Regulations of the Supervisory Board. Pursuant to Art. 15 (1) of the Articles of Association, members of the Supervisory Board shall be appointed for a joint three-year term of office. The mandates of a Supervisory Board members expire no later than on the day of holding the General Meeting approving the financial statements for the last full financial year in which the Supervisory Board members held their function. The mandate of a member of the Supervisory Board appointed before the end of a given joint term of office shall expire simultaneously with the expiry of the mandates of the remaining members of the Supervisory Board. Each member may be appointed for further terms. Pursuant to § 15 sec. 1 of the Company's Articles of Association, since the time that the Company obtained the status of a public company, the Supervisory Board consists of five to eight members.

Members of the Supervisory Board shall be appointed and dismissed by the General Meeting of Shareholders, subject to Art. 15 sec. 3 of the Company's Articles of Association, which determines personal rights of the shareholder. Personal rights provided for in the Company's Articles of Association stipulate that from the date of admission of the Company's shares to trading on the regulated market operated by the Warsaw Stock Exchange, MJ Investments sp. z o.o. (National Court Register (KRS): 0000468879), Betplay Capital sp. z o.o. (National Court Register (KRS): 0000470826), Juroszek Holding sp. z o.o. (National Court Register (KRS): 0000514007), or their legal successors (all of them jointly) ("Entitled Shareholders") are entitled to elect Supervisory Board members in the following number (personal entitlement):

1. as long as the Entitled Shareholders hold (jointly) more than 40% of the total number of votes in the Company, they are entitled to elect the following number of the members of the Supervisory Board:
 - a) 3 (three) members of the Supervisory Board (including the Chairman of the Supervisory Board) if the Supervisory Board consists of 5 (five) members;
 - b) 4 (four) members of the Supervisory Board (including the Chairman of the Supervisory Board) if the Supervisory Board consists of 6 (six) or 7 (seven) members;
 - c) 5 (five) members of the Supervisory Board (including the Chairman of the Supervisory Board) if the Supervisory Board consists of 8 (eight) members;

2. as long as the Entitled Shareholders hold (jointly) more than 33 % but not more than 40% of the total number of votes in the Company, they are entitled to elect the following number of the members of the Supervisory Board:
 - a) 2 (two) members of the Supervisory Board (including the Chairman of the Supervisory Board) if the Supervisory Board consists of 5 (five) members;
 - b) 3 (three) members of the Supervisory Board (including the Chairman of the Supervisory Board) if the Supervisory Board consists of 6 (six) or 7 (seven) members;
 - c) 4 (four) members of the Supervisory Board (including the Chairman of the Supervisory Board) if the Supervisory Board consists of 8 (eight) members;
3. as long as the Entitled Shareholders hold (jointly) more than 20 % but not more than 33% of the total number of votes in the Company, they are entitled to elect 2 (two) members of the Supervisory Board.
4. as long as the Entitled Shareholders hold (jointly) more than 10 % but not more than 20% of the total number of votes in the Company, they are entitled to elect 1 (one) member of the Supervisory Board.

The Vice-Chairman of the Supervisory Board is elected and dismissed by the Supervisory Board from among its members.

Composition of the Supervisory Board

In the period from 1 January 2022 to 31 December 2022, the Supervisory Board was composed of:

1. Mr Maciej Fijak - Chairman of the Supervisory Board
2. Mr Zbigniew Juroszek – Vice-Chairman of the Supervisory Board
3. Ms Milena Olszewska-Miszuris - Member of the Supervisory Board (Independent Member),
4. Ms Elżbieta Spyra - Member of the Supervisory Board (Independent Member),
5. Mr Krzysztof Krawczyk - Member of the Supervisory Board (Independent Member).

By the moment of adoption of this report, the composition of the Company's Supervisory Board has not changed.

Independence of the Supervisory Board

Members of the Supervisory Board meeting the independence criteria set out in Art. 129 sec. 3 of the Act on Statutory Auditors, Audit Firms and Public Oversight are: Milena Olszewska- Miszuris, Elżbieta Spyra and Krzysztof Krawczyk.

Members of the Supervisory Board who do not have actual and significant connections with a shareholder holding at least 5% of the total number of votes in the Company, as provided for in Rule 2.3 of the Code of Best Practice for WSE listed companies 2021, are: Maciej Fijak, Milena Olszewska-Miszuris, Elżbieta Spyra and Krzysztof Krawczyk.

Diversity of the Supervisory Board

The Supervisory Board of STS Holding S.A. is a diverse body in terms of education, experience, age and gender. The Supervisory Board consists of people with both financial and legal education, with many years of experience in running a business, legal departments, private equity funds or working on the broadly understood capital market. Among the members of the Supervisory Board, women represent 40% of all members. The members of the Supervisory Board include persons aged between 30 and 50 and over 50.

Composition of the Audit Committee

The Audit Committee operates within the Supervisory Board of STS Holding S.A. By the resolution of the Supervisory Board of 2 November 2021, the Audit Committee of the Supervisory Board is composed of:

1. Ms Milena Olszewska-Miszuris – Chairman of the Audit Committee;
2. Ms Elżbieta Spyra - Member of the Audit Committee
3. Mr Zbigniew Juroszek – Member of the Audit Committee.

The Audit Committee operated in this composition in the period from 1 January 2022 to 31 December 2022.

The Supervisory Board indicates that the composition of the Audit Committee reflected the following statutory requirements:

- persons meeting the independence criteria set out in Art. 129 sec. 3 of the Act on Statutory Auditors, Audit Firms and Public Oversight are: Milena Olszewska-Miszuris and Elżbieta Spyra;
- the person meeting the condition of having knowledge or skills in accounting or auditing financial statements in the period from 1 January 2022 to 31 December 2022 was Milena Olszewska-Miszuris,
- the person meeting the condition of having knowledge or skills in the industry in which the Company operates in the period from 1 January 2022 to 31 December 2022 was Zbigniew Juroszek.

At the same time, in accordance with Rule 2.9 of the Code of Best Practice for WSE listed companies 2021, the Chairman of the Supervisory Board did not combine their function with chairing the work of the Audit Committee. The detailed mode of operation and the scope of tasks of the Audit Committee of the Company's Supervisory Board are set out in the Regulations of the Audit Committee of the Supervisory Board of the Company.

The Supervisory Board did not appoint committees other than the Audit Committee.

II. MEETINGS OF THE SUPERVISORY BOARD IN 2022 AND MATTERS COVERED ON THE AGENDA OF THE MEETINGS IN 2022

In 2022, the Supervisory Board held 4 meetings, including 1 in a hybrid mode (3 members on-site, others via means of direct remote communication) and 3 meetings via means of direct remote communication. Meetings of the Supervisory Board took place on the following dates:

- 15 March 2022
- 27 April 2022,
- 13 September 2022,
- 21 December 2022

The Supervisory Board proceeded and adopted resolutions at meetings, by circulation and through means of direct remote communication, as specified in Art. 34 sec. 1 of the Regulations of the Supervisory Board. All resolutions adopted by the Supervisory Board were recorded in the minutes. All meetings of the Supervisory Board were properly convened. The Supervisory Board performed the tasks entrusted to it collectively.

In the period covered by this report, the Supervisory Board adopted resolutions regarding the following matters:

- Resolution No. 1/2022 on the appointment of a certified auditor for the purposes of auditing the separate and consolidated financial statements for 2021 and 2022, auditing the separate statements for the first half of 2022 and reviewing the consolidated statements for the first half of 2022, as well as the assessment of the report on remuneration of the Management Board and of the Supervisory Board for 2021 and 2022.
- Resolution No. 2/2022 on changing the agenda of the Supervisory Board meeting convened for 27 April 2022
- Resolution No. 3/2022 on accepting the recommendation of the Audit Committee
- Resolution No. 4/2022 on adopting the Procedures for selecting a statutory auditor/audit firm to audit financial statements of STS Holding
- Resolution No. 5/2022 on accepting the statement of the Supervisory Board concerning the fulfilment of statutory requirements by the Audit Committee
- Resolution No. 6/2022 on accepting the statement of the Supervisory Board concerning the selection of the audit firm to conduct the annual audit of the financial statements
- Resolution No. 7/2022 on accepting the assessment of the Supervisory Board of STS Holding

- Resolution No. 8/2022 on authorising the Chairman of the Supervisory Board to submit statements and assessment of the Supervisory Board on behalf of the Supervisory Board;
- Resolution No. 9/2022 on verification of the EBITDA Target for the Performance Period 1 under the "STS Holding S.A. Incentive Scheme"
- Resolution No. 10/2022 on permitting persons with managerial responsibilities in the Company to make transactions during the closed period
- Resolution No. 11/2022 on consent for the Management Board to adopt a resolution on increasing the share capital of the Company within the limits of the authorised capital, excluding the pre-emptive right in its entirety
- Resolution No. 12/2022 on the election of a delegated representative of the Supervisory Board of STS Holding - Maciej Fijak
- Resolution No. 13/2022 on approving the report on the activities of the Supervisory Board of STS Holding
- Resolution No. 14/2022 on approving the Report on remuneration of Members of the Management Board and Supervisory Board of the STS Holding Group of Companies in 2021
- Resolution No. 15/2022 on accepting a statement for Grant Thornton Polska in connection with the assessment of STS Holding's remuneration report for 2021
- Resolution No. 16/2022 on approving the Resolution of the Management Board of STS Holding S.A. of 6 May 2022 on giving recommendation to the Ordinary General Meeting of Shareholders of STS Holding as to the method of disposing of the net profit generated by the Company in 2021
- Resolution No. 17/2022 on issuing an opinion on draft resolutions for the Ordinary General Meeting of Shareholders of STS Holding S.A.
- Resolution No. 18/2022 on approving the Resolution of the Management Board of STS Holding S.A. of 6 June 2022 on giving recommendation to the Ordinary General Meeting of Shareholders of STS Holding as to the method of disposing of the net profit generated by the Company in 2021
- Resolution No. 19/2022 on issuing an opinion on the correction of the draft Resolution on the payment of dividend and distribution of the Company's profit at the Ordinary General Meeting of Shareholders of STS Holding
- Resolution No. 20/2022 on amending the Policy for selecting a statutory auditor/audit firm to audit financial statements of STS Holding
- Resolution No. 21/2022 on changing the Procedure for selecting a statutory auditor/audit firm to audit financial statements of STS Holding
- Resolution No. 22/2022 on consent to the payment of an advance on dividend to the Shareholders of STS Holding S.A. for 2022

III. WORK OF THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD IN 2022

The Audit Committee of STS Holding S.A. operated in 2022 based on the Rules of Procedure of the Audit Committee adopted by the Supervisory Board of STS Holding S.A. The Audit Committee performs the activities provided for in Article 130 of the Act on Statutory Auditors, Audit Firms and Public Oversight.

In 2022, the Audit Committee held 10 meetings on the following dates: 05.01.2022, 01.02.2022, 21.02.2022, 19.04.2022, 27.04.2022, 14.07.2022, 31.08.2022, 28.10.2022, 18.11.2022, 19.12.2022. The meetings were held remotely using means of direct remote communication. In addition, there were 2 votes by circulation of the Audit Committee, which took place on 10 January 2022 and 6 September 2022.

The following actions were taken during the meetings of the Audit Committee:

- discussing statutory auditors' offers for the audit of separate and consolidated financial statements of STS Holding S.A. for 2021 and 2022 and a meeting with statutory auditors, representatives of two audit firms,
- getting acquainted with the Recommendation and Statements of the Management Board of STS Holding S.A. regarding the selection of a statutory auditor,
- developing and adopting the recommendation of the Audit Committee regarding the selection of a statutory auditor/audit firm,
- discussion concerning the list of policies and procedures of STS Holding S.A.,
- meetings with representatives of Grant Thornton to discuss the audit strategy for the STS Holding S.A. Group of Companies for 2021 and 2022, as well as the status of the audit of STS S.A. and the review of the consolidated semi-annual statements and the audit of the separate semi-annual statements,
- discussing the statutory duties of the Audit Committee imposed by the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight and the following documents: "Good practices for public interest entities regarding the rules for the appointment, composition and functioning of the audit committee" issued on 24 December 2019 by the Office of the Financial Supervision Authority, "Best Practices of Audit Committees 2021" issued by the Polish Institute of Directors Foundation [Polski Instytut Dyrektorów-PID] and "Exemplary annual work plan of the audit committee" issued by the Association of Independent Members of Supervisory Boards in January 2022,
- setting the schedule of work of the Audit Committee in 2022,

- development of the Procedure for selecting a statutory auditor/audit firm and updating the Policy for selection of a statutory auditor/audit firm as well as implementation of their provisions, review of the Rules of Procedure of the Audit Committee, i.a. to include emergency mechanisms in the event of loss of independence or powers by the statutory auditor/audit firm,
- monitoring and confirming the independence of the statutory auditor/audit firm,
- meeting with representatives of the Company regarding internal control systems,
- discussion with the Finance Director on quarterly results and periodic reports,
- adopting a resolution of the Audit Committee with a recommendation for the Supervisory Board regarding the reports for 2021,
- monitoring the Company's information policy in the context of disclosure obligations and the implementation of the Best Practices for WSE Listed Companies,
- acknowledgment of the independence of the members of the Audit Committee,
- analysis of the annual transparency report published by the Grant Thornton audit firm in accordance with the requirement of Art. 13 of Regulation 537/201,
- discussion of the review of agreements between STS Holding S.A. and the audit firm,
- discussion of the list of audit firms to be asked for quotation for 2023 and 2024,
- reviewing the amendments to the Code of Commercial Companies and Partnerships, which became effective on 13 October 2022, and formulating possible conclusions for the Supervisory Board.

The Audit Committee assesses that in 2022 it performed its activities in accordance with statutory requirements, effectively addressing legal requirements, good practices and the requirements of the Company's corporate documents. The work of the Audit Committee was carried out on a regular basis, and meetings were held as needed, at a frequency ensuring ongoing discussion of any emerging issues. The Audit Committee monitored the financial reporting process on an ongoing basis by holding meetings with representatives of both the audit firm and the Company, as well as it monitored the effectiveness of internal control systems and risk management systems, including those in the area of financial reporting. The Audit Committee remained in constant contact with both the representatives of the Company, in particular the Financial Director and the Chief Accountant, as well as the audit company, monitoring the audit team's performance of financial audit activities, both auditing and reviewing financial statements.

In addition, the Audit Committee performed its statutory function and supported the Supervisory Board in selecting an audit firm to audit separate and consolidated financial statements for 2021 and 2022 by conducting interviews with representatives of audit firms and preparing a written recommendation for the Supervisory Board. In addition, the Audit Committee developed the Procedure for selecting a statutory auditor/audit firm and prepared an update of the Policy for selecting a statutory auditor/audit

firm. In 2022, the Audit Committee was therefore performing its advisory and support function towards the Supervisory Board of the Company, informing the Supervisory Board on an ongoing basis about all activities carried out. A detailed description of the activities of the Audit Committee is included in the Report of the Audit Committee of STS Holding S.A. for 2022.

IV. SELF-ASSESSMENT OF THE WORK OF THE SUPERVISORY BOARD IN 2022

In 2022, the Supervisory Board of STS Holding S.A. operated in accordance with its Regulations, the Company's Articles of Association, the corporate governance rules adopted by the Company and set out in the document "Code of Best Practice for WSE listed companies 2021" and applicable laws. The work of the Supervisory Board was carried out throughout the year, activities were undertaken during meetings and voting via means of remote communication or by circulation.

In the period covered by this report, the Supervisory Board did not record any disturbances in the performance of its statutory activities, ensuring constant oversight of the Company's activities in all areas of its activity. All members of the Supervisory Board, in particular its Chairman and Vice-Chairman, remained in constant contact with members of the Company's Management Board, the Chief Accountant, the Financial Director and the Legal Department, including remote communication.

The activities of oversight of the activities of the Management Board, which are responsibility of the Supervisory Board, were performed on time and with due diligence, and the decision-making process in the composition of the Supervisory Board was efficient, which is a manifestation of the reliability and competence of the members of the Supervisory Board. The Supervisory Board of the Company, in its activities involving oversight of the financial reporting process in the Company and the functioning of the internal control system and the risk management process by the Supervisory Board, was assisted by the Audit Committee. The Supervisory Board assesses that the actions taken by it fully allow it to exercise constant supervision over the Company's operations.

V. ASSESSMENT OF THE SITUATION OF THE COMPANY AND THE STS HOLDING S.A. GROUP OF COMPANIES IN 2022 AND THE MANAGEMENT BOARD'S REQUEST FOR THE DISTRIBUTION OF THE NET PROFIT FOR 2022

Assessment of the situation of the Company and the STS Holding S.A. Group of Companies in 2022

Following analysis of the financial statements of the Company, the consolidated financial statements of the STS Holding S.A. Group of Companies for the financial year 2022, the Management Board's report on the activities of the STS Holding S.A. Group of Companies in 2022, including the report on the activities of STS Holding S.A. and the Report on non-financial information as well as the Report of the statutory auditor on the separate and consolidated financial statements and based on the recommendation

of the Audit Committee, based on the opinion of the statutory auditor, the Supervisory Board positively assesses the above reports in terms of their compliance with the accounting books, documents and facts, as well as it positively assesses the property and financial situation of the STS Holding S.A. Group of Companies. The above assessment of the Board results from the analysis of margin and debt, inter alia, based on the separate and consolidated financial statements of STS Holding S.A. for 2022, as well as the Management Board's report on the activities of the STS Holding S.A. Group of Companies in 2022, including the report on the activities of STS Holding S.A., in particular addressing the following issues:

- a) strategy and development perspective of the STS Holding Group;
- b) dividend policy of STS Holding S.A.;
- c) key contracts;
- d) risk management;
- e) current and expected financial and economic position of the Group;
- f) description of the main features of the internal control and risk management systems applied in the STS Group of Companies in relation to the process of drawing up financial statements and consolidated financial statements.

Assessment of the Management Board's proposal regarding the distribution of net profit for 2022

The Supervisory Board gives a positive opinion on the recommendation of the Management Board for the Ordinary General Meeting regarding the distribution of the Company's net profit for 2022. The Management Board of STS Holding S.A. recommends that the Ordinary General Meeting of Shareholders adopt a resolution regarding the distribution of the net profit generated by STS Holding S.A. for the financial year 2022 in the amount of PLN 128,609,243.89, less the advance on dividend in the amount of PLN 42,264,438.66, i.e. the amount of PLN 86,344,805.23, in the following manner:

- a. PLN 86,199,276.90 will be allocated to the payment of dividends for the Company's shareholders, which means that the amount of the dividend per share is PLN 0.55;
- b. PLN 145,528.33 will be allocated to the Company's supplementary capital in accordance with the mandatory provisions of law.

In view of the above, the Supervisory Board requests the Ordinary General Meeting to accept the above motion and adopt a relevant resolution.

VI. ASSESSMENT OF THE INTERNAL CONTROL SYSTEM, RISK MANAGEMENT SYSTEM, COMPLIANCE AND INTERNAL AUDIT FUNCTION

The Supervisory Board, having familiarised itself with the information provided by the Company, expresses a positive assessment of the internal control, risk management and compliance system in force in the Company, including in particular with regard to the financial reporting process, preparation of

financial statements and the Company's operating activities, including especially the procedures for preparing financial statements developed by the Group in order to ensure their completeness and correct recognition of all economic transactions in a given period, such as:

- Division of duties, which at each stage of the operating cycle excludes the possibility of only one employee performing activities related to the implementation and documentation of an accounting event,
- High qualifications and documented experience of each of the employees who are responsible for the implementation of tasks dedicated to accounting and finance departments,
- Digitised system of accounting documentation circulation,
- Examination of an independent statutory auditor of financial statements and consolidated financial statements, selected by the Supervisory Board of STS Holding S.A.
- Invoices are verified in individual departments of the Company, from which the relevant costs arise (substantive control), by the Finance and Accounting Department (formal and accounting control) and by the owner of the process (acceptance of payment and confirmation of service provision). Above the cost acceptability threshold for a given process owner, set by the Company, the approval is made by the Management Board.
- The company prepares separate and consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS") approved by the European Union, the Accounting Act of 29 September 1994 and the Code of Commercial Companies and Partnerships. The Company also applies the Accounting Policy established by the Company, which includes, among other things: the definition of the financial year and its reporting periods, specification of the manner of keeping the accounting books (corporate chart of accounts, list of accounting books, description of the data processing system), specification of a system for the protection of data and data sets, including accounting documents, books of accounts and other documents constituting the basis for making entries.
- The company's accounting is carried out with the use of Comarch ERP XL accounting software, and access to the program data is provided to designated persons. This software is used for accounting, preparation of analyses, summaries, financial statements and other. Each month, the data obtained with the accounting software are analysed, and then, based on those analyses, decisions are made in the risk management process.
- In order to minimise risks and verify the functioning of existing systems, the companies of the Group use, if necessary, external independent audits in relation to the applicable AML (anti-money laundering) policies and IT systems.

The Company maintains risk management and supervisory systems appropriate to the size of the Company and the nature and scale of its operations. The Company does not have a separate

organisational unit responsible for risk management. The control mechanisms are adapted on an ongoing basis to the Company's situation and needs. In each financial year, the Company's Management Board prepares its own assessment of the effectiveness of the internal control systems.

The Company's key risk areas include: (i) liquidity risk; (ii) personal data protection risk; (iii) risk of business downtime and IT system failure; (iv) regulatory risk; (v) competition risk; (vi) AML related risk; (vii) risk of failure to execute the Company's strategy. The risk areas above are regulated by the Group's internal procedures, including the procedure on counteracting money laundering and terrorist financing, personal data protection procedures and policies and other internally applicable procedures and policies.

As part of its internal risk management system, the Company conducts an ongoing assessment of the level of risk associated with the factors listed above. The level of liquidity risk is examined as part of internal management reporting based on the observation of standard liquidity measures. The risk management system in relation to other factors significantly relies on the internal incident reporting system.

VII. ASSESSMENT OF THE COMPANY'S COMPLIANCE WITH THE INFORMATION OBLIGATIONS CONCERNING THE APPLICATION OF CORPORATE GOVERNANCE SPECIFIED IN THE STOCK EXCHANGE RULES AND REGULATIONS CONCERNING CURRENT AND PERIODIC INFORMATION PROVIDED BY THE ISSUERS OF SECURITIES

Information obligations regarding the application of corporate governance rules are set out in the Stock Exchange Rules and in the Regulation of the Minister of Finance of 29 March 2018 regarding current and interim information delivered by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. /Journal of Laws/ 2018, item 757), containing i.a. information that should be included in the statement on the application of corporate governance principles, which is a separate part of the report on the issuer's activities in the annual report of the Company.

On 19 January 2022, the Company published information on the company's application of the principles contained in the Code of Best Practice for WSE listed companies 2021, which was updated on 25 May 2022, and then on 20 March 2023 and on 25 May 2023. According to the statement, the Company does not apply 20 principles, i.e.: 1.3.1., 1.3.2., 1.4., 1.4.1., 1.5, 2.1., 2.2., 2.7., 2.11.5., 2.11.6., 3.1., 3.3., 3.4., 3.6., 3.7., 3.10., 4.1., 4.2., 6.2., 6.3. Furthermore, as part of the Management Board's report on the activities of the STS Holding S.A. Group of Companies in 2022, which includes the report on the activities of STS Holding S.A., the Company's statement on the application of corporate governance

principles resulting from the "Code of Best Practice for WSE listed companies 2021" was included as a separate part.

In 2022, the Supervisory Board, as part of the Audit Committee, reviewed the information published by the Company with regard to the application of corporate governance rules and explanations presented to non-applied rules. The Audit Committee monitored the publication of current reports by the Company on an ongoing basis, and the content of the reports was also discussed at meetings of the Supervisory Board. For the above reasons, the Supervisory Board assumes that the Company properly fulfills the disclosure obligations regarding the application of corporate governance set out in the Stock Exchange Rules and the regulations concerning current and periodic information provided by issuers of securities.

VIII. ASSESSMENT OF THE METHOD OF IMPLEMENTATION BY THE MANAGEMENT BOARD OF INFORMATION OBLIGATIONS INDICATED IN ART. 380(1), ART. 382 SEC. 4 AND ART. 382(1) OF THE CODE OF COMMERCIAL COMPANIES AND PARTNERSHIPS

In accordance with the amendment to the Code of Commercial Companies and Partnerships, which came into force on 13 October 2022, the Supervisory Board provides information on how the Management Board informs the Supervisory Board about the current situation of the Company. Under Art. 380(1) sec. 1, the Management Board is obliged, without any additional notification, to provide the Supervisory Board with information concerning: 1) resolutions of the Management Board and their subject matter; 2) the situation of the company, including its assets, as well as significant circumstances related to the conduct of the company's affairs, in particular in the area of operations, investment and HR; 3) progress in the implementation of the designated directions of development of the company's operations, whereby it should indicate any derogations from the previously determined directions, providing at the same time the reasons for the derogations; 4) transactions and other events or circumstances that significantly affect or may affect the financial position of the company, including its profitability or liquidity; 5) changes to the information previously provided to the Supervisory Board, if such changes significantly affect or may affect the situation of the company.

In the opinion of the Supervisory Board, in 2022 the Management Board kept the Supervisory Board informed about the situation of the Company, including its assets, as well as significant circumstances related to the conduct of the Company's affairs, in particular in the areas of operations, investments and HR. Since the entry into force of the amendment to the Code of Commercial Companies and Partnerships, the Management Board prepares written information containing the elements required by law for the meeting of the Supervisory Board. Additionally, at the Supervisory Board's meetings, before the publication of financial results, the members of the Supervisory Board are presented with the

information which will be the subject of the meeting of the Company with participants of the capital market. As a result, the Supervisory Board positively assesses the performance by the Management Board of its obligations under Art. 380(1).

Pursuant to Article 382 sc. 4 of the amended Code of Commercial Companies and Partnerships, in order to perform its duties, the Supervisory Board may inspect all documents of the Company, request reports and explanations from the Management Board and employees, and review the assets and liabilities of the Company. During its meetings, the Supervisory Board was involved in discussions both with members of the Management Board and representatives of the Finance and Investor Relations Department. The Supervisory Board positively assesses the quality of information, documents, reports and explanations presented to it in oral and written form by the Management Board. In the financial year, the Supervisory Board of the Company did not adopt a resolution regarding the selection of an advisor pursuant to Art. 382(1) of the Code of Commercial Companies and Partnerships and did not commission such inspections.

IX. SUMMARY

The Supervisory Board positively assesses the situation of the Company, the separate and consolidated statements submitted to it, the activities of the Management Board along with the proposal for profit distribution, as well as its own work in 2022. As a result, the Supervisory Board requests the General Meeting to approve the separate and consolidated financial statements for 2022 together with the report on activities, to approve the distribution of profit proposed by the Management Board and to acknowledge the fulfillment of duties by the Management Board in 2022.

Katowice, 31 May 2023

Signatures:

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Maciej Fijak, Chairman of the Supervisory Board
On behalf of the Supervisory Board of STS Holding S.A.