

[dzieciol@larq.pl](mailto:dzieciol@larq.pl) [dzieciol@larq.pl](mailto:dzieciol@larq.pl) (Emitenci)

[Serwisy Zamknięte GPW](#)

[Serwisy Zamknięte GPW System EBI](#)

## Serwis Emitentów - EBI

### MENU

[Home page](#)

Dodaj raport

[on non-application of Best Practices](#)

[on incidental infringements of Best Practices](#)

[other reports](#)

Current state of the application of DPSN

[Report](#) archive

[Regulations](#)

[Contact](#)

[Test](#) mode

Confirmation of issuance of Best Practices report

Company: LARQ Spółka Akcyjna

Number: 1/2018

Date: 2018-03-19 15:42:25

Types of markets: CORPORATE GOVERNANCE – regulated market

Title: LARQ Spółka Akcyjna Report on the extent of the use of Best Practices

Content:

On the basis of par. 29 pt. 3 of the Rules of the Stock Exchange in Warsaw S.A. LARQ Spółka Akcyjna hereby submits a report on the non-application of rules contained in "Best Practices for WSE Listed Companies 2016"

The Board of LARQ S.A., due to changes in the content of documents and corporate law has updated information on the application of the principles II.Z.7, II.Z.8 and V.Z.6.

## Information policy and communication with investors

IZ1.9. information on a proposed dividend and the dividend paid by the company in the last 5 financial years, including data on the dividend record date, time and the amount of dividend payments - total and per share,

The Company does not apply the above rule.

The principle is not applied in the part concerning the placing on the Company's website of information concerning the proposed dividend.

I.Z.1.15. information containing a description of the company's diversity policy in relation to its authorities, and its key managers; the description should include elements such as diversity policy, gender, course of education, age, work experience, and indicate the objectives of diversity policies used and the manner of its implementation during the reporting period; if the company has not developed and does not implement diversity policies, it shall publish an explanation of its decision on its website, Comment by the company on how to use this rule.

The company to date has not formally adopted a diversity policy; however, it suggests that the current activity is guided by its elements, including in particular gender, the course of education, age and professional experience.

I.Z.1.16. more information about the planned broadcast of General Meetings - no later than 7 days before the date of the general meeting,

The Company does not apply the above rule.

The Company withdraws from the above rules with regard to the Company's withdrawal from use of principle IV.Z.2.

## Systems and internal functions

IM.Z.1. The company's management is responsible for implementing and maintaining effective internal control systems, risk management, compliance and internal audit functions.

Comment of the company on how to use this rule.

The Company indicates that the current Board is responsible for controlling the operations of the Company, including the internal control processes of its operations and risk management. In the Company, there are no formalized procedures and internal control units, risk management, or compliance units. The Board currently sees no need to set up such units unless the assessment made by the Supervisory Board indicates the necessity of their establishment. The Company points out that because of its size and scope of activity, the current system of control and audit, and risk management are considered to be sufficient.

III.Z.3. With regard to the person in charge of the internal audit function and other persons responsible for carrying out its tasks, the principles of independence defined in generally accepted international standards of professional practice of internal audit are applied.

The Company does not apply the above rule.

The Company does not have a separate internal audit unit and there is no separate position for a person in charge of this function. The Company uses the principles described in the justification for rules III. Z.1 above.

III.Z.4. At least once a year, the person responsible for internal audit (in the case where there is such a person in the company) and the board shall present their own assessment of the effective functioning of systems and functions referred to in principle III.Z.1, together with the corresponding report to the supervisory board.

The Company does not apply the above rule.

As already indicated in the justification to rule III.Z.3 above, the Company does not have a separate internal audit unit and there is no separate position for a person in charge of this function. Moreover,

according to the justification of rule III.Z.1 the Management Board in the exercise of its functions is entrusted to carry out the tasks of internal control, risk management, compliance, and internal audit, and any other contact with the Supervisory Board arising from the normal course of business the Company does not represent a separate assessment effective functioning of the abovementioned systems.

III.Z.5. The Supervisory Board monitors the effectiveness of the systems and functions referred to in principle III.Z.1, based among other things on the reports periodically supplied directly by the persons responsible for these functions, and the company's management, as well as performing an annual assessment of the effectiveness of these systems and functions in accordance with principle II.Z.10.1. If an audit committee functions in the company, it monitors the effectiveness of the systems and functions referred to in principle III.Z.1.; however, this does not relieve the supervisory board of the need to draw up an annual assessment of the effectiveness of these systems and functions.

The Company does not apply the above rule.

In the Company as indicated in the justification for principle III.Z.1 there are no formalized procedures and specialized units for managing internal control, risk management and compliance. Therefore, the Supervisory Board monitors the effectiveness of the aforementioned systems based on regular contacts with the Management Board responsible for the execution these jobs, but in principle II.Z.10.1 the Supervisory Board shall prepare a separate assessment of the effectiveness of these systems and functions.

The General Meeting and relations with shareholders

IV.Z.2. If this is justified due to the shareholding structure of the company, the company shall provide a generally accessible broadcast of the meeting in real time.

The Company does not apply the above rule.

Due to the shareholding structure and lack of interest in the transmission of the meeting of shareholders, the Company does not consider it justifiable now to stream General Meetings. The decision not to apply the rules was made due to the lack of adequate equipment and technical capabilities, to enable the fulfilment of the obligations arising from the abovementioned rules, as well as the fact that the high costs that would be incurred for this purpose by the Company, the Company believes disproportionate to the potential benefits for shareholders.

Remuneration

VI.Z.2. To link the remuneration of board members and key managers with the long-term business and financial goals of the company, the period between the granting of options under the incentive program or other instruments linked to shares of the company, and the possibility of their implementation should be a minimum of 2 years.

The Company does not apply the above rule.

In the Company there are two incentive programs for members of the Company's management, including for members of the Management Board, which enable the implementation of other instruments related to the shares of the Company within a period shorter than two years from their allocation.

VI.Z.4. The Company activity report shall present a report on the remuneration policy, including at least:

- 1) general information on the system of remuneration adopted in the company,
- 2) information on the conditions and amount of remuneration of each of the board members, broken down into fixed and variable components of remuneration, indicating the key parameters determining the variable remuneration components and principles of severance payments and other payments due to termination of employment, orders, or other legal relationship of a similar nature - separately for the company and each entity within the capital group .
- 3) information on the vested non-monetary remuneration components of individual members of the board and key managers,

- 4) an indication of significant changes, which in the past year occurred in the remuneration policy, or information about their absence,
- 5) assessment of the functioning of the remuneration policy for the realization of its objectives, in particular long-term growth in shareholder value and stability of the company.

The Company does not apply the above rule.

The principle is not applied in the Company as a whole, because the Company has not adopted a remuneration policy. Remuneration of Supervisory Board members is determined by the General Meeting, and remuneration of the Board Members of the Supervisory Board. The Board shall determine the remuneration in relation to key managers. In its activity report, the Company presents information on the salaries of Members of the Management Board and the Supervisory Board Members.

Annexes:

Persons representing the Board

Krzysztof Przybyłowski, Chairman of the Board

Mikołaj Chruszczewski, Member of the Board

Małgorzata Dzieciół, Member of the Board

Login [dzieciol@larq.pl](mailto:dzieciol@larq.pl)

Print confirmation [Go](#) to list of reports