

Pursuant to para. 29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, WSE), Selena FM S.A. hereby submits a report on non-compliance with certain detailed principles set out in the document "Best Practice for WSE Listed Companies 2016".

By resolution No. 04/01/2020, the Management Board of Selena FM S.A. adopted a statement confirming that in 2020 the Company would continue to follow the "Best Practice for WSE Listed Companies 2016", introduced on 1 January 2016, except the principles specified in this report.

Information policy and communication with investors

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 drawn up and implemented a diversity policy, it should publish the explanation of its decision on its website;

The Company does not follow this principle.

The Company did not specify and did not implement a diversity policy applicable to its governing bodies and key managers. The Company does not guarantee equal participation of male and female members in the Management and Supervisory boards. The governing roles are entrusted to particular persons regardless of their gender, education or age, but taking into consideration their professional experience and relevant knowledge.

I.Z.1.16. Information about the planned broadcast of a general meeting, not later than 7 days before the date of the general meeting;

The Company does not follow this principle.

The Company does publish information about the planned transmission of a general meeting, as such transmission is not planned.

I.Z.1.20. An audio or video recording of a general meeting;

The Company does not follow this principle.

The Company does not publish an audio or video recording of a general meeting. No such record is taken in the company. The information on the course of a general meeting is taken in the form of a protocol, but it does not contain all the statements, questions and answers that take place during the meeting. The decision on which matters are stated in the protocol is made by Chairman of the SB, who takes into consideration law regulations, the significance of the matter and the shareholders' request. SB meeting participants, pursuant to the rules of the Commercial Companies Code, are entitled to make a written statement, which is attached to the protocol. Management Board decides, whether the rules ensure the transparency of a general meeting and protect the company against potential claims from the shareholders, who may not consent to publish their image and audio recording.

General Meeting and the rights of shareholders

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

The Company does not follow this principle.

The Company does not broadcast general meetings in real time due to the lack of consent of participants to publish their image.

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

The Company does not follow this principle.

The Company leaves up to the general meeting participants a decision whether presence of representatives of the media should be allowed.

Remuneration

VI.Z.4. In this activity report, 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.*

The Company does not follow this principle.

The Company does not apply the rule. Remuneration of management board members is fixed by the SB and that of key managers- by the Management Board, taking into consideration labour market standards and the company's interests. Information about remuneration of management board members is reported in the annual report, in accordance with the rules stated in the regulation of the Minister of Finance regarding current and periodic reports. At the same time, the Company declares that the publication of the report on the remuneration of the Members of the Management Board for 2020, including the obligations arising from the Act on public offering and conditions for introducing financial instruments to organized trading, and on public companies and certain other acts (Journal of Laws of 2019, item 2217) will occur in 2021.