

# DEBICA RB 11 / 2024

## POLISH FINANCIAL SUPERVISION AUTHORITY

**Current report** No. 11 / 2024

**Date of preparation:** 2024-06-07

**Abbreviated name of the issuer:** DEBICA

### Subject

Request to place certain items on the agenda of the AGM convened for June 27, 2024 Application for the appointment of an auditor for special matters

### Legal basis

Article 56 section 1 point 2 of the Act on Public Offering - current and periodic information

### Text of the report:

The Management Board of Tire Company Dębica S.A. (the "**Company**") hereby informs that the Company has received, by means of electronic communication, a request to place certain matters on the agenda of the Ordinary General Meeting of the Company convened for June 27, 2024, together with a motion to adopt a resolution on the examination by an auditor, at the Company's expense, of a specific issue related to the management of the Company's affairs (auditor for special matters) (the "**Request**"). The request was submitted pursuant to Article 401 paragraph 1 of the Commercial Companies Code and Article 84 section 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies by shareholders holding more than 1/20 of the Company's share capital, i.e.: (i) Otwarty Fundusz Emerytalny Nationale-Nederlanden, (ii) PKO BP Bankowy Otwarty Fundusz Emerytalny, (iii) Lemuria Partners Sicav P.L.C., (iv) FRAM Family Foundation acting under the Agreement, the conclusion of which was announced by the Company in current report No. 3/2023 ("**Shareholders**").

The request includes a request to include 12 additional matters on the agenda of the AGM convened for 27 June 2024.

In view of the above, the Company presents the following supplemented agenda (points 17-28 added):

1. Opening of the Annual General Meeting.
2. Election of the Chairman of the Annual General Meeting.
3. Confirmation of the correctness of convening the Annual General Meeting and its ability to adopting resolutions.
4. Adoption of the agenda.
5. Election of the Secretary of the Ordinary General Meeting.
6. Review and approval of the Company's financial statements for 2023.
7. Consideration and approval of the Management Board's report on the Company's activities in 2023.
8. Consideration and approval of the Supervisory Board's report for 2023.
9. Adoption of a resolution on the distribution of profit.
10. Granting discharge to members of the Company's Management Board for the performance of their duties for 2023.

11. Granting discharge from liability to members of the Company's Supervisory Board for the performance of their duties in 2023.
12. Determination of the number of members of the Company's Supervisory Board.
13. Appointment of members of the Company's Supervisory Board.
14. Adoption of a resolution to give an opinion on the report on the remuneration of members of the Management Board and Supervisory Board of the Company for 2023.
15. Adoption of a resolution on the adoption of amendments to the Remuneration Policy for Members of the Management Board and Supervisory Board of Tire Company Dębica S.A.
16. Presentation of a report on the manner in which the results of the auditor's audit and recommendations contained in the auditor's report were taken into account.
17. Presentation by the Management Board of the Company of information on the purposes for which the Management Board of the Company proposes to allocate the amount of PLN 142,184,323.50 from the Company's profit for 2023 to the reserve capital in a situation where the already existing reserve capital of the Company created from profits from previous years, at the end of 2023 amounted to over PLN 644,118,000 and constituted over 60% of the Company's capitalization, and at the same time, the balance of loans granted by the Company to entities related to the majority shareholder amounted to: PLN 700 million (as at the balance sheet date of 31 December 2023), PLN 600 million (as at the balance sheet date of 31 December 2022), PLN 500 million (as at the balance sheet date of 31 December 2021) and PLN 400 million (as at the balance sheet date of 31 December 2020).
18. Presentation by the Company's Management Board of information on the conditions set by the Company's Management Board, the fulfillment of which will justify the Company's Management Board's recommendation that the Company's reserve capitals created from the profit from the years 2000 – 2022 (currently in the amount of over PLN 640 million, representing over 60% of the Company's capitalization and corresponding to loans granted to Goodyear), created each time with the reservation "with the possibility of paying dividends to shareholders" should be paid in the form of dividends for shareholders; Presentation by the Company's Management Board of an update of the Company's Management Board's position on whether there is a maximum amount of reserve capital created from profits from previous years, after which the Management Board will not recommend allocating the Company's profit in subsequent years to further reserve capital, or whether the position of the Company's Management Board expressed during the Company's General Meeting of Shareholders in 2023 is still in force, according to which "there is no such maximum".
19. Presentation by the Management Board of the Company of information on the economic and legal basis for which the Management Board of the Company in 2023 allocated the amount of PLN 700 million, representing over 60% of the Company's capitalization, to lending activities, in a situation where the lending activity is not the Company's statutory activity.
20. Presentation by the Management Board of the Company of information on how and on what basis the Management Board of the Company assesses the credit risk of the borrower of loans granted by the Company, i.e. Goodyear S.A. with its registered office in Colmar-Berg, Luxembourg, and discussion of the extent to which the credit risk of this borrower justifies the margin on loans granted in the amount of PLN 700 million, which the Management Board of the Company sets in the loan agreements at the amount of 0.45%.
21. Presentation by the Company's Management Board of information on whether, apart from the collateral disclosed in the Company's current reports, for loans granted to Goodyear S.A. with its registered office in Colmar-Berg, Luxembourg in the form of a guarantee issued by The Goodyear Tire & Rubber Company with its registered office in Akron, Ohio, USA, the Company obtains any other collateral for these loans.
22. Presentation by the Management Board of the Company of information on the procedure, under what conditions and under what right the Company is entitled to pursue rights and claims under the only security for loans granted by the Company in the amount of PLN 700 million, disclosed in the

Company's current reports, i.e. security in the form of a guarantee issued by The Goodyear Tire & Rubber Company with its registered office in Akron, Ohio, United States.

23. Presentation by the Management Board of the Company of information on how and on what basis the Management Board of the Company assesses the credit risk of The Goodyear Tire & Rubber Company with its registered office in Akron, Ohio, USA as the entity providing the only security for the loans granted in the form of guarantees disclosed by the Company, including information on whether the Management Board of the Company: assessed the guarantor's debt, analysed the structure of the debt and whether it analysed whether other liabilities of The Goodyear Tire & Rubber Company enjoy priority satisfaction over the Company's rights under the guarantee.

24. Presentation by the Management Board of the Company of information on the actions taken by the Management Board of the Company in the scope of collateral and interest on loans granted by the Company, the only collateral of which is the guarantee of The Goodyear Tire & Rubber Company with its registered office in Akron, Ohio, USA, and which actions were taken by the Management Board of the Company after the when in November 2023, the rating agency S&P Global Ratings downgraded The Goodyear Tire & Rubber Company's rating from BB- to B+ and assessed that in 2024 and 2025 in the guarantee company, "free cash flow from operating activities (FOCF) will remain negative".

25. Presentation by the Company's Board of Directors as to whether the Company's Board of Directors currently assesses the margin on loans granted to Goodyear as adequate for the credit risk associated with these loans and whether, following the downgrading of The Goodyear Tire & Rubber Company from BB- to B+, the Company's Management maintains its position, that for determining the interest rate on loans granted to Goodyear, bank deposits offered by Polish banks are an adequate (taking into account risk levels) comparison.

26. Presentation by the Management Board of the Company of information on the Company's losses as a result of the fire that took place at the Company's production plant in 2023, the corrective actions taken, the course of liquidation of the damage caused by the above-mentioned fire, the method of financing the corrective actions and the manner and degree of use of the Company's insurance policies.

27. Adoption of a resolution on the allocation or refusal to allocate funds from the remaining reserves existing in the Company for the payment of a special dividend.

28. Adoption of a resolution on the appointment of an auditor for special matters in order to examine, at the Company's expense, certain issues related to the management of the Company's affairs.

29. Closing of the General Meeting.

The received Request containing justifications for the introduction of items 17-26 of the agenda and draft resolutions concerning items 27-28 of the agenda - constitute an attachment to this report.

Detailed legal basis:

§ 19 sec. 1 point 3 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.