

Appendix to  
Resolution No. XI/12/21 of the Supervisory Board of 8 April 2021

**REPORT ON THE REMUNERATION  
OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS OF GRUPA KĘTY S.A.  
FOR THE YEARS 2019 AND 2020**

**8 April 2021**

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## **I. GENERAL INFORMATION**

1. The principles of remuneration of the Management Board and Supervisory Board Members of Grupa Kęty S.A. (hereinafter referred to as the '**Company**') are determined in the Remuneration Policy of Grupa KĘTY S.A. Management Board and Supervisory Board Members (hereinafter referred to as the '**Remuneration Policy**'), passed by Resolution No. 19/20 of the Annual General Meeting of Grupa KĘTY S.A. on 20 August 2020. The Remuneration Policy is binding from the date of its adoption.
2. Before the entrance into force of the Remuneration Policy, in the years 2019 and 2020, the remuneration of the Company Management Board Members was determined, calculated and paid out based on the applicable resolutions of the Supervisory Board, whereas the remuneration of the Supervisory Board Members – based on the applicable resolutions of the Annual General Meeting of the Company.
3. Without prejudice to the Remuneration Policy, the Management Board Members are also bound with the provisions of the respective agreements concluded with the Company and other documents regulating the principles of remuneration binding at the Company.

## **II. VALUE OF THE TOTAL REMUNERATION OF THE MANAGEMENT BOARD MEMBERS**

1. In 2020 the total remuneration of all Management Board Members amounted to PLN 7,217,000.
2. Table 1 presents the value of the total remuneration of the Management Board Members in 2020, broken down into the particular components.
3. Table 2 presents the proportions of the particular components of remuneration and the total remuneration of the Management Board Members in 2020.
4. In 2019 the total remuneration of all Management Board Members amounted to PLN 8,676,000.
5. Table 3 presents the value of the total remuneration of the Management Board Members in 2019, broken down into the particular components.
6. Table 4 presents the proportions of the particular components of remuneration and the total remuneration of the Management Board Members in 2019.
7. Apart from the amount of the total remuneration identified, respectively, in clauses 1 and 4, in 2019 and 2020 the Management Board Members acquired rights to financial instruments on the principles described in Section X.

**Table 1**

		Year 2020			
		Fixed remuneration* (PLN '000)	Variable remuneration** (PLN '000)	In-kind benefits*** (PLN '000)	Total (PLN '000)
<b>Dariusz Mańko</b>	Grupa KĘTY S.A.	1,081	2,177	6	3,264
	Other companies of the Capital Group	-	-	-	-
	<b>TOTAL</b>	<b>1,081</b>	<b>2,177</b>	<b>6</b>	<b>3,264</b>
<b>Piotr Wysocki</b>	Grupa KĘTY S.A.	636	746	7	1,389
	Other companies of the Capital Group	12	-	-	12
	<b>TOTAL</b>	<b>648</b>	<b>746</b>	<b>7</b>	<b>1,401</b>
<b>Tomasz Grela</b>	Grupa KĘTY S.A.	180	640	-	820
	Other companies of the Capital Group	445	300	6	751
	<b>TOTAL</b>	<b>625</b>	<b>940</b>	<b>6</b>	<b>1,571</b>
<b>Rafał Warpechowski</b> (1)	Grupa KĘTY S.A.	649	327	5	981
	Other companies of the Capital Group	-	-	-	-
	<b>TOTAL</b>	<b>649</b>	<b>327</b>	<b>5</b>	<b>981</b>

TOTAL Grupa KĘTY S.A.	2,546	3,890	18	6,454
TOTAL other companies of the Capital Group	457	300	6	763
<b>TOTAL</b>	<b>3,003</b>	<b>4,190</b>	<b>24</b>	<b>7,217</b>

\* Fixed remuneration comprises: basic remuneration (or sick-leave remuneration) under employment contract, and remuneration granted by resolutions of the Supervisory Board.

\*\* Variable remuneration comprises an incentive paid in the respective year for the performance of tasks in the preceding year.

\*\*\* In-kind benefits comprise: St. Nicholas' Day gift from the Company Social Benefits Fund, car fuel flat-rate allowance, Employee Pension Scheme (PPE) premium, health-care premium.

(1) Variable remuneration paid out for the fulfilment of the function of a Member of the Management Board in the period from 1 October to 31 December 2019.

**Table 2**

<b>Year 2020</b>				
	<b>Proportion of fixed remuneration to total remuneration</b>	<b>Proportion of variable remuneration to total remuneration</b>	<b>Proportion in-kind benefits to total remuneration</b>	<b>Proportion of remuneration at other companies of the Capital Group to total remuneration</b>
<b>Dariusz Mańko</b>	33.1%	66.7%	0.2%	0.0%
<b>Piotr Wysocki</b>	46.3%	53.2%	0.5%	0.9%
<b>Tomasz Grela</b>	39.8%	59.8%	0.4%	47.8%
<b>Rafał Warpechowski</b> (1)	66.2%	33.3%	0.5%	0.0%

(1) Variable remuneration paid out for the fulfilment of the function of a Member of the Management Board in the period from 1 October to 31 December 2019.

Table 3

		Year 2019			
		Fixed remuneration* (PLN '000)	Variable remuneration** (PLN '000)	In-kind benefits*** (PLN '000)	Total (PLN '000)
<b>Dariusz Mańko</b>	Grupa KĘTY S.A.	1,020	2,103	6	3,129
	Other companies of the Capital Group	-	-	-	-
	<b>TOTAL</b>	<b>1,020</b>	<b>2,103</b>	<b>6</b>	<b>3,129</b>
<b>Piotr Wysocki</b>	Grupa KĘTY S.A.	600	850	7	1,457
	Other companies of the Capital Group	12	-	-	12
	<b>TOTAL</b>	<b>612</b>	<b>850</b>	<b>7</b>	<b>1,469</b>
<b>Tomasz Grela</b>	Grupa KĘTY S.A.	180	619	-	799
	Other companies of the Capital Group	397	164	6	567
	<b>TOTAL</b>	<b>577</b>	<b>783</b>	<b>6</b>	<b>1,366</b>
<b>Rafał Warpechowski (1)</b>	Grupa KĘTY S.A.	153	-	1	154
	Other companies of the Capital Group	-	-	-	-
	<b>TOTAL</b>	<b>153</b>	<b>-</b>	<b>1</b>	<b>154</b>
<b>Rafał Lechowicz (2)</b>	Grupa KĘTY S.A.	79	619	-	698
	Other companies of the Capital Group	184	149	7	340
	<b>TOTAL</b>	<b>263</b>	<b>768</b>	<b>7</b>	<b>1,038</b>
<b>Adam Piela (3)</b>	Grupa KĘTY S.A.	255	1,262	3	1,520
	Other companies of the Capital Group	-	-	-	-
	<b>TOTAL</b>	<b>255</b>	<b>1,262</b>	<b>3</b>	<b>1,520</b>

TOTAL Grupa KĘTY S.A.	2,287	5,453	17	7,757
TOTAL other companies of the Capital Group	593	313	13	919
<b>TOTAL</b>	<b>2,880</b>	<b>5,766</b>	<b>30</b>	<b>8,676</b>

\* Fixed remuneration comprises: basic remuneration (or sick-leave remuneration) under employment contract, and remuneration granted by resolutions of the Supervisory Board.

\*\* Variable remuneration comprises an incentive paid in the respective year for the performance of tasks in the preceding year.

\*\*\* In-kind benefits comprise: St. Nicholas' Day gift from the Company Social Benefits Fund, car fuel flat-rate allowance, Employee Pension Scheme (PPE) premium, health-care premium.

(1) Acting as a Management Board Member since 1 October 2019.

(2) Acting as a Management Board Member till 7 June 2019.

(3) Acting as a Management Board Member till 31 May 2019.

**Table 4**

Year 2019				
	Proportion of fixed remuneration to total remuneration	Proportion of variable remuneration to total remuneration	Proportion in-kind benefits to total remuneration	Proportion of remuneration at other companies of the Capital Group to total remuneration
<b>Dariusz Mańko</b>	32.6%	67.2%	0.2%	0.0%
<b>Piotr Wysocki</b>	41.6%	57.9%	0.5%	0.8%
<b>Tomasz Greła</b>	42.3%	57.3%	0.4%	41.5%
<b>Rafał Warpechowski (1)</b>	99.1%	0.0%	0.9%	0.0%
<b>Rafał Lechowicz (2)</b>	25.3%	74.1%	0.6%	32.8%
<b>Adam Piela (3)</b>	16.8%	83.0%	0.2%	0.0%

(1) Acting as a Management Board Member since 1 October 2019.

(2) Acting as a Management Board Member till 7 June 2019.

(3) Acting as a Management Board Member till 31 May 2019.

### **III. COMPLIANCE OF THE TOTAL REMUNERATION OF THE MANAGEMENT BOARD MEMBERS WITH THE REMUNERATION POLICY**

- In accordance with the provisions of § 24.3 of the Remuneration Policy, to determine, calculate and pay out the variable part of the remuneration of the Management Board Members for the reporting years 2019 and 2020, as passed by the resolutions of the Supervisory Board before this Policy coming into force, the previously binding principles apply.
- The remuneration of the Company Management Board Members in 2019 and 2020 consisted of:
  - fixed remuneration,
  - variable remuneration,
  - in-kind benefits.
- In 2019 and 2020, some of the Management Board Members had the right to remuneration at other companies of the Capital Group of Grupa Kety S.A. (hereinafter referred to as the 'Capital Group').
- Despite the fact that the Remuneration Policy has been binding since 20 August 2020, effective from 2021, the total remuneration of the Management Board Members in the years 2019 and 2020 complied with the principles determined in the Remuneration Policy, because:
  - the Management Board Members did not receive any other components of remuneration than those referred to in the Remuneration Policy;
  - the remuneration complied with the division of remuneration into the fixed and variable parts;

- the variable part of the remuneration of a Member of the Management Board did not exceed 2.5 times the fixed part of the remuneration received jointly by the Management Board Member from the Company and any of the Capital Group companies under an employment contract or appointment to act at the Management Board of a Capital Group company.
5. As regards two Members of the Management Board, the variable part of remuneration in 2019, as disclosed in Table 4, exceeds the limit of 2.5 times the fixed part of the remuneration presented in the Table, as the variable remuneration refers to the preceding years (2018), and the fixed remuneration for the year 2019 refers to the period of fulfilling the function of the Management Board member in that year.
  6. The variable remuneration of the Management Board Members paid out in 2019 (for the year 2018) and in 2020 (for the year 2019) comprised:
    - 1) as regards the President of the Management Board/General Director and Management Board Member/Financial Director – annual incentive depending on the value of fixed remuneration and EBITDA growth rate (profit on operating activities plus depreciation) and net profit growth rate generated by the Capital Group in the preceding reporting year, benchmarked against a variable, annually updated base. The annual incentive payout depends on the achievement of the minimum required level of the assumed EBITDA and net profit growth rates (80% growth compared to the benchmark for the respective year), plus generation by the Capital Group of at least 10% EBITDA margin in the year to which the incentive refers;
    - 2) as regards the Members of the Management Board in charge of the particular operating segments:
      - annual incentive on the principles described for the President of the Management Board/General Director and Management Board Member/Financial Director, whereas the base for calculating the incentive was half of the fixed remuneration;
      - annual bonus paid out in the respective year for the preceding year, depending on the EBITDA profit of the given operating segment in the year to which the bonus refers. The annual bonus payout depends on the fulfilment of the parameters regarding the generation of net profit in the respective period, working capital turnover compared to the budget for the given period, at least 90% growth rate of EBITDA compared to the preceding year, as well as the requirements related to disclosure duties and quality of financial statements of the companies within the respective segment. The maximum value of that part of variable remuneration was limited to PLN 300,000.
  7. The total remuneration of the Management Board Members for the years 2019 and 2020 was determined in a manner which contributes to the achievement of long-term objectives by the Company and the Capital Group, by way of making the value of variable remuneration dependent on the financial results generated by the Capital Group. Additionally, there are applied long-term incentive plans (share options), the performance of which depends on the generation of both adequate financial results by the Capital Group and the level of the Company share prices compared to the quoting of indexes on the Warsaw Stock Exchange.



#### IV. INFORMATION ON THE MANNER IN WHICH THE RESULT CRITERIA HAVE BEEN APPLIED IN REFERENCE TO THE TOTAL REMUNERATION OF THE MANAGEMENT BOARD MEMBERS

As regards the total remuneration of the Management Board Members, in 2019 and 2020 there were applied criteria related to the generated result, by way of determination of:

1. the level and components of remuneration of the Management Board Members, in consideration of the analyses of solutions applied on the market, and considering the level of financial results generated by the Capital Group and scale of the Group operations;
2. variable remuneration depending on the level of fixed remuneration, the rates of change of the economic results of the Capital Group and the results of the Group operating segments;
3. the criteria related to the rates of change of EBITDA and net profit of the Capital Group, and the rate of change of the Company share prices compared to the rates of change of the indexes on the Warsaw Stock Exchange, within share-based incentive plans.

#### V. VALUE OF THE TOTAL REMUNERATION OF THE SUPERVISORY BOARD MEMBERS

1. In 2020 the total remuneration of all Supervisory Board Members amounted to PLN 891,000.
2. Table 5 presents the value of the total remuneration of the Supervisory Board Members in 2020.
3. Table 6 presents the proportions of the particular components of remuneration of the Supervisory board Members and the total remuneration in 2020.
4. In 2019 the total remuneration of all Supervisory Board Members amounted to PLN 837,000.
5. Table 7 presents the value of the total remuneration of the Supervisory Board Members in 2019.
6. Table 8 presents the proportions of the particular components of remuneration of the Supervisory Board Members and the total remuneration in 2019.

**Table 5**

	Year 2020		
	Value of remuneration (PLN '000)	In-kind benefits (PLN '000)	Total (PLN '000)
Szczepan Strublewski (1)	126.0	1.9	127.9
Paweł Niedziółka	151.4	2.3	153.7
Wojciech Włodarczyk (1)	84.0	-	84.0
Piotr Kaczmarek	142.3	2.1	144.4
Bartosz Kazimierczuk (1)	84.0	1.3	85.3
Piotr Stępiak	154.0	-	154.0
Wojciech Golał (2)	47.0	0.2	47.2
Agnieszka Zalewska (2)	47.0	0.2	47.2
Przemysław Rasz (2)	47.0	-	47.0
<b>TOTAL</b>	<b>882.7</b>	<b>8.0</b>	<b>890.7</b>

\* In-kind benefits comprise the Employee Capital Plan (PPK) premium.

- (1) Acting as a Supervisory Board Member till 20 August 2020.  
(2) Acting as a Supervisory Board Member since 20 August 2020 (from the moment of resolutions passed by the Annual General Meeting of the Company on 20 August 2020).

**Table 6**

	Year 2020	
	Proportion of fixed remuneration to total remuneration	Proportion in-kind benefits to total remuneration
<b>Szczepan Strublewski (1)</b>	98.5%	1.5%
<b>Paweł Niedziółka</b>	98.5%	1.5%
<b>Wojciech Włodarczyk (1)</b>	100.0%	-
<b>Piotr Kaczmarek</b>	98.5%	1.5%
<b>Bartosz Kazimierczuk (1)</b>	98.5%	1.5%
<b>Piotr Stępiak</b>	100.0%	-
<b>Wojciech Golał (2)</b>	99.7%	0.3%
<b>Agnieszka Zalewska (2)</b>	99.7%	0.3%
<b>Przemysław Rasz (2)</b>	100.0%	-

- (1) Acting as a Supervisory Board Member till 20 August 2020.  
(2) Acting as a Supervisory Board Member since 20 August 2020 (from the moment of resolutions passed by the Annual General Meeting of the Company on 20 August 2020).

**Table 7**

	Year 2019		
	Value of remuneration (PLN '000)	In-kind benefits (PLN '000)	Total (PLN '000)
<b>Szczepan Strublewski</b>	185.7	0.5	186.2
<b>Paweł Niedziółka</b>	154.7	0.4	155.1
<b>Wojciech Włodarczyk</b>	123.8	0.0	123.8
<b>Piotr Kaczmarek</b>	123.8	0.3	124.1
<b>Bartosz Kazimierczuk</b>	123.8	0.3	124.1
<b>Piotr Stępiak</b>	123.8	0.0	123.8
<b>TOTAL</b>	<b>835.6</b>	<b>1.5</b>	<b>837.1</b>

\* In-kind benefits comprise the Employee Capital Plan (PPK) premium.

**Table 8**

	Year 2019	
	Proportion of fixed remuneration to total remuneration	Proportion in-kind benefits to total remuneration
<b>Szczepan Strublewski</b>	99.8%	0.2%
<b>Paweł Niedziółka</b>	99.8%	0.2%
<b>Wojciech Włodarczyk</b>	100.0%	
<b>Piotr Kaczmarek</b>	99.8%	0.2%
<b>Bartosz Kazimierczuk</b>	99.8%	0.2%
<b>Piotr Stępiak</b>	100.0%	

## **VI. COMPLIANCE OF THE TOTAL REMUNERATION OF THE SUPERVISORY BOARD MEMBERS WITH THE REMUNERATION POLICY**

1. The remuneration of the Company Supervisory Board Members in 2019 and 2020 consisted of:
  - fixed remuneration and
  - in-kind benefits.
2. Despite the fact that the Remuneration Policy has been binding since 20 August 2020, the total remuneration of the Supervisory Board Members in the years 2019 and 2020 complied with the Remuneration Policy, because:
  - the Supervisory Board Members did not receive any other components of remuneration than those referred to in the Remuneration Policy;
  - the received fixed remuneration complied with the maximum value of three-times the average monthly remuneration in the sector of companies, as announced by the President of the Central Statistical Office (GUS) for the last month of the quarter preceding the payment of remuneration, and depended on the function fulfilled, which complies with the Remuneration Policy.
3. Granting fixed remuneration to the Supervisory Board Members provided a guarantee of stable operation of the Supervisory Board as a supervising body, whereas the Members, not being directly dependent on the financial results generated by the Company, were able to supervise the current operations of the Company and the actions of the Management Board Members with due consideration and without undue risk.

## VII. INFORMATION ON THE MANNER IN WHICH THE RESULT CRITERIA HAVE BEEN APPLIED IN REFERENCE TO THE REMUNERATION OF THE SUPERVISORY BOARD MEMBERS

Owing to the fact that the Supervisory Board Members received fixed remuneration in 2019 and 2020, no result criteria were applied to their remuneration.

## VIII. INFORMATION ON THE VALUE OF REMUNERATION FROM THE COMPANIES OF THE SAME CAPITAL GROUP

The value of the remuneration received by the Management Board Members in the years 2019 and 2020 from the companies of the same Capital Group is presented in Table 1 (year 2020) and Table 3 (year 2019).

In 2019 and 2010, the Supervisory Board Members did not receive remuneration from companies of the same Capital Group.

## IX. INFORMATION ABOUT REMUNERATION, COMPANY RESULTS AND AVERAGE REMUNERATION OF THE EMPLOYEES

Table 9 presents the total remuneration of the Company employees other than Management Board or Supervisory Board Members, as well as the Company results in the last five reporting years.

**Table 9**

	<b>Total remuneration of the Company employees other than Management Board or Supervisory Board Members (PLN '000)</b>	<b>Average remuneration of the Company employees other than Management Board or Supervisory Board Members* (PLN '000)</b>	<b>Net profit of the Company (PLN '000)</b>	<b>EBITDA of the Company (PLN '000)</b>
<b>2020</b>	105,518	6.5	296,153	365,917
<b>2019</b>	104,712	6.3	205,027	271,276
<b>2018</b>	99,786	6.2	191,439	250,684
<b>2017</b>	91,826	6.1	249,057	296,403
<b>2016</b>	78,350	5.7	176,333	222,298

\* Calculated as the total remuneration of the Company employees other than Management Board or Supervisory Board Members, divided by the average number of employees (total average headcount in each month divided by 12, where the average headcount in a month is calculated as the total of two daily balances: on the first and on the last day of the month, divided by 2).

**X. NUMBER OF FINANCIAL INSTRUMENTS ASSIGNED OR OFFERED TO THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS, AS WELL AS THE MAIN TERMS OF ENFORCING THE RIGHTS ON THE INSTRUMENTS, INCLUDING THE PRICE AND DATE OF ENFORCEMENT, PLUS AMENDMENTS THERETO**

**2015 PLAN**

1. In accordance with the Management Options Plan adopted by Resolution No. 13/15 of the Annual General Meeting of the Company on 23 April 2015 (hereinafter referred to as the '2015 Plan'), in the years 2015–2017 the Eligible Persons were to be assigned options (hereinafter referred to as 'Options') with the pre-emptive right to take up 180,000 new-issue shares of the Company, upon the fulfilment of certain conditions. The Options were vested in three tranches, each of 1/3 of the total number of shares offered under the 2015 Plan (hereinafter referred to as the 'Tranche').
2. In the years 2016 and 2017, the Management Board Members were granted the right to take up H series shares of the Company under the 2015 Plan in the following numbers:
  - Dariusz Mańko – 9,000 shares in 2016 and 9,000 shares in 2017;
  - Piotr Wysocki – 6,000 shares in 2016 and 6,000 shares in 2017;
  - Tomasz Grela – 6,000 shares in 2016 and 6,000 shares in 2017;
  - Rafal Lechowicz – 6,000 shares in 2016;
  - Adam Piela – 6,000 shares in 2016.
3. The main terms for the enforcement of rights under the aforesaid Options were the following:
  - in reference to 15% of the respective Tranche – the return on shares reaching the minimum level equal or higher than the growth rate of the WIG index calculated for the same period as the return on shares ratio;
  - in reference to 25% of the respective Tranche – the return on shares reaching the level of at least 15 percentage points higher than the growth rate of the WIG index calculated for the same period as the return on shares ratio;
  - in reference to 30% of the respective Tranche – the Capital Group EBITDA growth rate reaching 33%, if the opinion of the statutory auditor on the consolidated financial statements of the Company Group did not contain any reservations regarding EBITDA in the given year, whereas the Tranche was to be allocated to the Eligible Persons in part, if the EBITDA growth rate was realised in 87% of the required level and the value of the Tranche grew proportionally to the level of the EBITDA growth rate;
  - in reference to 30% of the respective Tranche – the Capital Group net profit growth rate reaching 44%, if the opinion of the statutory auditor on the consolidated financial statements of the Company Group did not contain any reservations regarding net profit in the given year, whereas the Tranche was to be allocated to the Eligible Persons in part, if the net profit growth rate was realised in 87% of the required level and the value of the Tranche grew proportionally to the level of the net profit growth rate.
4. As regards the Tranche granted in 2016, the return on shares ratio was determined as the quotient of the average price of the Company shares in Q.1, 2019, increased for the value of dividend paid by the Company from 1 April 2016 to 31 March 2019, and the average price of the Company shares in Q.1, 2016. As regards the Tranche granted in 2017, the return on shares ratio was based on the average share prices in the respective years (Q.1, 2020 and Q.1, 2017).

5. The WIG index growth rate was calculated in reference to identical periods as for the return on shares ratio.
6. The EBITDA and net profit growth rates of the Capital Group for the Tranche allocated in 2016 was calculated as the quotient of the value of EBITDA and net profit per share generated in 2017 to the value of the same in 2014. For the Tranche allocated in 2017, the EBITDA and net profit growth rates were calculated based on the values generated in the respective years.
7. The purchase price of the aforesaid instruments was determined in accordance with the Plan principles as PLN 304.24.
8. Period in which the rights in the aforesaid instruments may be enforced (shares take-up):
  - 1 October 2019 to 30 June 2022 with regard to the share options allocated in 2016;
  - 1 October 2020 to 30 June 2023 with regard to the share options allocated in 2017.
9. Table 10 presents the exercise of the 2016 and 2017 options in the years 2019 and 2020.
10. The Members of the Supervisory Board were not granted or offered any financial instruments under the 2015 Plan.

**Table 10**

	<b>Share options - 2015 Plan; 2016 and 2017 Tranches</b>			
	<b>Number of shares allocated in relation to Options in 2016</b>	<b>Number of shares available in 2019, post verification of the conditions</b>	<b>Number of shares allocated in relation to Options in 2017</b>	<b>Number of shares available in 2020, post verification of the conditions</b>
<b>Dariusz Mańko</b>	9,000	4,050	9,000	2,970
<b>Piotr Wysocki</b>	6,000	2,700	6,000	1,980
<b>Tomasz Grela</b>	6,000	2,700	6,000	1,980
<b>Adam Piela (1)</b>	6,000	2,700	-	-
<b>Rafał Lechowicz (2)</b>	6,000	2,700	-	-

(1) Acting as a Management Board Member till 31 May 2019.

(2) Acting as a Management Board Member till 7 June 2019.

## **2020 PLAN**

1. In accordance with the Management Options Plan adopted by Resolution No. 27/20 of the Annual General Meeting of the Company on 20 August 2020 (hereinafter referred to as the '2020 Plan'), in the years 2020–2022 the Eligible Persons are to be assigned options (hereinafter referred to as 'Options') with the pre-emptive right to take up 270,000 new-issue shares of the Company, upon the fulfilment of certain conditions. The Options will be vested in three tranches, each of 1/3 of the total number of shares offered under the 2020 Plan (hereinafter referred to as the 'Tranche').
2. In the year 2020, the Management Board Members were granted the right to take up shares under the 2020 Plan in the following numbers:

- Dariusz Mańko – 9,000 shares;
  - Piotr Wysocki – 7,000 shares;
  - Tomasz Grela – 7,000 shares;
  - Rafał Warpechowski – 7,000 shares.
3. The main terms for the enforcement of rights under the aforesaid instruments were the following:
    - in reference to 15% of the respective Tranche – the return on shares reaching the minimum level equal or higher than the growth rate of the WIG index calculated for the same period as the return on shares ratio;
    - in reference to 25% of the respective Tranche – the return on shares reaching the level of at least 15 percentage points higher than the growth rate of the WIG index calculated for the same period as the return on shares ratio;
    - in reference to 30% of the respective Tranche – the Capital Group EBITDA growth rate reaching 28%, if the opinion of the statutory auditor on the consolidated financial statements of the Company Group does not contain any reservations regarding EBITDA in the given year, whereas the Tranche is to be allocated to the Eligible Persons in part, if the EBITDA growth rate is realised in 89.3% of the required level and the value of the Tranche shall grow proportionally to the level of the EBITDA growth rate;
    - in reference to 30% of the respective Tranche – the Capital Group net profit growth rate reaching 28%, if the opinion of the statutory auditor on the consolidated financial statements of the Company Group does not contain any reservations regarding net profit in the given year, whereas the Tranche is to be allocated to the Eligible Persons in part, if the net profit growth rate is realised in 89.3% of the required level and the value of the Tranche shall grow proportionally to the level of the net profit growth rate.
  4. The return on shares ratio is determined as the quotient of the average price of the Company shares in 2022, increased for the value of dividend paid by the Company from 1 January 2020 to 31 December 2022, and the average price of the Company shares in 2019.
  5. The WIG index growth rate is calculated in reference to identical periods as for the return on shares ratio.
  6. The EBITDA and net profit growth rates of the Capital Group are calculated as the quotient of the value of EBITDA and net profit generated in 2022 to the value of the same in 2019.
  7. The purchase price of the aforesaid instruments was determined in accordance with the Plan principles as PLN 376.95.
  8. The period in which the rights in the aforesaid instruments may be enforced (shares take-up) starts on 1 October 2023 and ends on 30 September 2026.
  9. As regards the dates referred to above, in 2020 the Management Board Members were not entitled to take up shares under the 2020 Plan.
  10. The Members of the Supervisory Board were not granted or offered any financial instruments under the 2020 Plan.

#### **XI. INFORMATION ON AVAILING OF THE POSSIBILITY TO CLAIM REIMBURSEMENT OF VARIABLE REMUNERATION COMPONENTS**

The Remuneration Policy does not provide for the possibility of claiming reimbursement of the variable components of remuneration of the Management Board Members. The Supervisory Board Members do not receive any variable remuneration components.

#### **XII. INFORMATION REGARDING DEPARTURES FROM THE PROCEDURE OF IMPLEMENTING THE REMUNERATION POLICY AND DEPARTURES APPLIED IN ACCORDANCE WITH ARTICLE 90F OF THE ACT, INCLUDING AN EXPLANATION OF THE REASONS AND METHOD OF DEPARTURE, AS WELL AS COMPONENTS TO WHICH THE DEPARTURE APPLIES**

There was no case of departure from the procedure of the Remuneration Policy implementation, or departures applied in accordance with Article 90f of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (consolidated text in Journal of Laws No. 2020, item 2080, as amended).

#### **XIII. VALUE OF CASH CONSIDERATIONS OR IN-KIND BENEFITS ASSIGNED TO CLOSELY ASSOCIATED PERSONS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS**

1. In 2019 and 2020, the remuneration of the Management Board Members included in-kind benefits: St. Nicholas' Day gift from the Company Social Benefits Fund, and premiums paid within the group life and health insurance scheme, which ensures access to medical care for closely associated persons in the total value of PLN 4,235, as presented in Table 11.

**Table 11**

	<b>In-kind benefits granted to closely associated persons in 2020 (PLN '000)</b>	<b>In-kind benefits granted to closely associated persons in 2019 (PLN '000)</b>
<b>Dariusz Mańko</b>	0.7	1.0
<b>Piotr Wysocki</b>	1.0	1.0
<b>Tomasz Grela</b>	-	-
<b>Rafał Warpechowski</b>	0.3	0.3
<b>Rafał Lechowicz</b>	-	-
<b>Adam Piela</b>	-	-

2. In 2019 and 2020, the remuneration of the Supervisory Board Members did not comprise any cash considerations or in-kind benefits granted to closely associated persons.

#### **XIV. FINAL INFORMATION**

This Report is the first report prepared post the entrance into force of the Remuneration Policy and, therefore, the duty set out in Article 90g.8 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (consolidated text in Journal of Laws No. 2020, item 2080, as amended), requiring explanation how the resolution or discussion in the Annual General Meeting related to the prior Remuneration Report was considered, does not apply to it.