

Remuneration Policy

§1

General Provisions

1. Within the limits specified in the Resolution, the following elements of the Remuneration Policy are established:
 - a) Variable Remuneration components;
 - b) Criteria for granting Variable Remuneration;
 - c) periods of deferral of Variable Remuneration payment;
 - d) rules for the possibility of requesting the return of a Variable Remuneration paid by the Company;
 - e) benefits in kind that may be awarded as part of the Fixed Remuneration ("**Additional Benefits**").
2. The Variable Remuneration provided for in the Agreement with a Member of the Management Board is not subject to any deferment of payment.
3. Paid Variable Remuneration, provided for in the Agreement with a Management Board member, is refundable within the limits provided for by law.
4. Expressions indicated in this document in capital letters have the meaning given to them in the Resolution.

§2

Variable Remuneration components

1. Variable Remuneration may be granted in the form of:
 - a) annual bonus ("**Annual Bonus**");
 - b) bonus for carrying out a specific task ("**Performance Bonus**").

§3

Annual Bonus

1. An Annual Bonus may be granted to a member of the Management Board in each financial year. An Annual Bonus is granted based on the bonus plan for a given member of the Management Board valid for a given financial year adopted by a resolution of the Supervisory Board ("**Annual Bonus Plan**"). Along with establishing the Annual Bonus Plan, the Supervisory Board determines bonus parameters and bonus parameter weights.
2. The Annual Bonus can be granted only if a member of the Management Board meets the loyalty criterion on the terms described in the Agreement with the Member of the Management Board.

3. The Annual Bonus Program with regard to the Members of the Management Board performing their function on the date of adoption of this resolution is implemented in accordance with the following assumptions:
 - a) may be implemented in two variants: (i) the annual consolidated gross pre-tax profit of the Company ("**Basic Level**") and (ii) the advanced level determining one fixed parameter, i.e. the annual consolidated gross pre-tax profit of the Company ("**Standard Parameter**") and a maximum of three optional parameters that are determined for each year as part of the preparation of the Company's budget approved by the Supervisory Board ("**Optional Parameters**") ("**Advanced Level**");
 - b) Basic Level is launched provided that the target value is achieved. The target value is the achievement of consolidated annual pre-tax profit of the Company in the amount specified in the Company's budget approved by the Supervisory Board ("**Primary Goal**");
 - c) amount of the Annual Bonus within the Basic Level depends on the degree of implementation of the Basic Goal;
 - d) Advanced Level is launched provided that: (i) the Basic Goal is implemented to the extent specified in the Agreement with the Member of the Management Board; and (ii) at least one of the objectives in the field of Optional Parameters is achieved.
 - e) as part of the Advanced Level, the Annual Bonus amount is calculated as the sum of the results achieved for each of the Advanced Level parameters multiplied by the weight assigned to each parameter plus the result achieved as part of the Basic Level.

4. The Annual Bonus Program with respect to the Members of the Management Board who are not performing their function on the date of adoption of this resolution is implemented in accordance with the following assumptions:
 - a) can be implemented in three variants: (i) the basic level determining one parameter, i.e. the annual consolidated gross pre-tax profit of the Company ("**Basic level**") and/or (ii) the advanced level determining one fixed parameter, i.e. the annual consolidated gross pre-tax profit of the Company ("**Standard Parameter**") and a maximum of three optional parameters that are determined for each year as part of the preparation of the Company's budget approved by the Supervisory Board ("**Optional Parameters**") ("**Advanced Level Model I**") and/or (iii) the advanced level determining special parameters referring to performance of specified tasks and/or specified financial and/or economical parameters ("**Advanced Level Model II**");

- b) The Basic Level, if applicable, is launched provided that the target value is achieved. The target value is the achievement of consolidated annual pre-tax profit of the Company in the amount specified in the Company's budget approved by the Supervisory Board ("**Primary Goal**");
- c) amount of the Annual Bonus within the Basic Level depends on the degree of implementation of the Basic Goal;
- d) The Advanced Level Model I, if applicable, is launched provided that: (i) the Basic Goal is implemented to the extent specified in the Agreement with the Member of the Management Board; and (ii) at least one of the objectives in the field of Optional Parameters is achieved.
- e) as part of the Advanced Level Model I if applicable, the Annual Bonus amount is calculated as the sum of the results achieved for each of the Advanced Level parameters multiplied by the weight assigned to each parameter plus the result achieved as part of the Basic Level;
- f) as part of the Advanced Level Model II if applicable, the Annual Bonus amount is calculated according to conditions specified in the Resolutions of Supervisory Board;
- g) Supervisory Board is entitled to free choice of variants of Annual Bonus Program or to mix variants.

§4

Performance Bonus

1. Notwithstanding the Annual Bonus, the Supervisory Board may decide, by resolution, to award a member of the Management Board a Performance Bonus for meeting the criterion of granting Variable Remuneration in the form of a specific task ("**Task**") or actions of a member of the Management Board which, in the opinion of the Supervisory Board, justify awarding a Performance Bonus to a member of the Management Board. The resolution referred to in the previous sentence also specifies the amount and other conditions of the Performance Bonus.
2. The task is an action that has its effect in terms of:
 - a) effective management of environmental issues related to the functioning of the Company, including but not limited to:
 - management of identified environmental risk or potential environmental risk related to the Company's operations, especially in the event of minimizing the risk of fires,
 - undertaking actions aimed at minimizing environmental damage resulting from the Company's operations, including informing the relevant authorities in the event of the above damage,
 - acting to reduce emissions, efficient management of resources, recycle, replace or reduce the use of environmentally harmful substances in the Company's operations,

- acting to use raw materials from responsible sources in production and promote pro-ecological attitudes among the Company's domestic and foreign clients.
- b) effective management of the Company, taking the social responsibility of the Company's operations into account, including through:
- contributing to the sustainable development of the Company, including the health and well-being of the Company's employees, which translates into an increase in their commitment to work and more effective performance of their duties,
 - management of the Company in a manner consistent with all corporate governance rules on the WSE,
 - undertaking activities within the sphere of the Company's influence in the scope of supporting local institutions and people, cooperation with local organizations, programs for children and youth.
3. Awarding the Performance Bonus related to the Task implementation takes place no earlier than after the verification of the Task implementation and its effects specified in sec. 2 above. The verification referred to in the previous sentence includes obtaining data confirming compliance with standards and objective measures of the Task implementation enabling assessment of the effectiveness of actions taken by a member of the Management Board in the Task implementation.

§5

Additional Benefits

The Company may provide a member of the Management Board with additional benefits for the time of performing his function in the Company, including, among others:

- a) the ability to use work equipment/tools made available to a member of the Management Board for the proper performance of duties related to performing functions in the Company, in particular by providing a laptop and a mobile phone,
- b) the option of using a company car in accordance with the Company's car policy;
- c) medical insurance package, the details of which are set out in the regulations in force in the Company;
- d) covering the costs of D&O civil liability insurance to the extent specified in the Agreement with the Member of the Management Board.