

## **Remuneration policy of members of the Management Board and the Supervisory Board of Stalexport Autostrady S.A.**

### **§ 1**

#### **Definitions and Abbreviations**

Following terms, used in Policy, are defined as below:

- 1) **“Capital Group”** – Company and Subsidiaries;
- 2) **“Labour Code”** – Act of 26 June 1974 – Labour Code (Journal of Laws of 2019, item 1040, as amended);
- 3) **“Remuneration Committee”** – Remuneration Committee of the Supervisory Board;
- 4) **“CCC”** – Act of 15 September 2000 – Commercial Companies Code (consolidated text Journal of Laws of 2019, item 505, as amended);
- 5) **“Policy”** – present document, adopted on the basis of Article 90d section 1 of the Offering Act;
- 6) **“Supervisory Board”** – Supervisory Board of the Company;
- 7) **“Company”** – Stalexport Autostrady S.A. with its registered office in Mysłówice;
- 8) **“Subsidiary”** – subsidiary of the Company within the meaning of Article 4 point 15 of the Offering Act;
- 9) **“Offering Act”** – Act of 29 July 2005 on Public Offering and Conditions for the Introduction of Financial Instruments to the Organised Trading System, and on Public Companies (consolidated text Journal of Laws of 2019, item 623, as amended);
- 10) **“General Meeting”** – general meeting of the Company;
- 11) **“Management Board”** – Management Board of the Company.

### **§ 2**

#### **General provisions**

1. The goal of the Policy is an establishment of directional rules of remuneration of members of the Management Board and the Supervisory Board, paid by the Company or received following to their membership in the Subsidiary’s bodies.
2. Solutions adopted in the Policy were established in a way that aims to execute business strategy, long-term interests of the Company and its stability and growth. Company’s business strategy is based on three pillars:
  - 1) implement potential projects related to the road infrastructure;
  - 2) provide professional services and contribute in improvement of the road infrastructure quality in Poland
  - 3) manage infrastructural investments in order to assure the best level of service quality to customers
3. Long-term interests of the Company match the interests of groups of its shareholders, as well as take into account and respect legitimate rights of its stakeholders (workers, clients etc.) seen in a long-time perspective.

4. Moderation, rules and structure of remuneration of the members of the Management Board and the Supervisory Board, together with taking into account current financial situation of the Company, are the key factors aiming to carry out Company's business strategy, its long-term interests and sustainability.

### § 3

#### **Structure of remuneration**

1. Remunerations granted to the members of the Management Board encompass:
  - 1) “**Fixed Remuneration**”, which consists of monthly salary paid for position held in the Capital Group and responsibilities connected to such office, with respect to market conditions, excluding performance-related criteria;
  - 2) “**Variable Remuneration**”, rewards the achievement of short and medium/long-term objectives, consistently with Company strategy, and may include. additional payments, short-term and long-term incentives plan;
  - 3) “**Additional Benefits**”, encompassing other profits, including non-monetary ones, in particular company car usage (including car usage for private purposes), healthcare co-financing (including close family members: spouse, under-aged children), as well as covering the sport voucher scheme and unit-linked life insurance contribution or D&O insurance contribution.
2. The Fixed Remuneration is the only mandatory element of the remuneration of the members of the Management Board.
3. Remuneration of the members of the Supervisory Board consists only and solely of the Fixed Remuneration. The members of the Supervisory Board, seconded to a permanent and individual supervision, receive additional remuneration, which amount is set by the General Meeting. The General Meeting may delegate this power to Supervisory Board. Regardless, the members of the Supervisory Board are entitled to reimbursement of the costs suffered due to their participation in board's works.
4. The members of the Management Board may receive remuneration on the basis of their employment as a member of the Management Board of a Subsidiary. Such remuneration may be fixed and variable as well as may encompass additional benefits.

### § 4

#### **Legal relationship between the members of the Company's bodies**

1. The members of the Management Board receive remuneration under the employment contract, managerial contract or other civil law contract. Mentioned contracts may be concluded for an indefinite time.
2. Notice period of employment contracts shall be determined according to the provisions of the Labour Code. Notice period of managerial contracts or other civil law contract shall not be shorter than 3 months.

3. Severance pay, granted in case of termination of the contracts and defined in such contracts mentioned in section 1 above, before the end of the term of office of the Management Board, shall not be higher than Fixed Remunerations multiplied by twelve.
4. The members of the Supervisory Board receive remuneration pursuant to their corporate relation arising from their appointment by proper acts for the term of office. The duration of mandate is regulated by law and depending on particular circumstances. The term of office of Supervisory Board is shared and lasts for 3 years.

## **§ 5**

### **Rules of granting the Fixed Remuneration**

1. The Fixed Remuneration of the members of the Management Board is set by the Supervisory Board by way of a resolution, based on the propositions submitted by the Remuneration Committee, according to its rules of procedure. When setting the Fixed Remuneration of the members of the Management Board, the Remuneration Committee and the Supervisory Board shall take into account primarily:
  - 1) qualifications, level of professional experience;
  - 2) character of the office held, size of the managed area, range and character of duties performed there;
  - 3) remuneration level of people managing institutions of similar profile and scale of operations;
2. For the purpose of establishing the Policy, the working and remuneration conditions of the Company's employees, other than the members of the Management Board and the Supervisory Board were not taken into account.
3. The Fixed Remuneration of the members of the Supervisory Board is set by the General Meeting by way of a resolution, using the assessment basis, however shall not be lower than one full assessment basis. Notwithstanding the above, the fixed Remuneration for (i) dependent and (ii) independent members of the Supervisory Board may be determined in a different manner.
4. The assessment basis of Fixed Remuneration of the members of the Supervisory Board is the average monthly salary in the enterprise sector including payments from profit received in fourth quarter of previous year, declared by the President of Central Statistics (GUS).
5. The Fixed Remuneration of each member of the Supervisory Board should be diversified according to office held (*e.g.* chairing and replacing in chairing the Supervisory Board and its Committees, participation in such Committees). Individual remuneration shall be fixed by specific multiplication of the assessment basis. Remuneration of members of the Supervisory Board that match the independence criteria, should foster maintaining the status of independence from the major shareholder and Company's decision makers.
6. The Fixed Remuneration shall not be reduced, suspended nor cancelled except of the cases provided by the provisions of generally applicable law.

## § 6

### **General rules of granting the Variable Remuneration**

1. Variable Remuneration for the members of the Management Board may be established as a part of the Three-year Incentive Program, the Annual Incentive Program (as the award and/or annual premium).
2. The purpose of the Annual Incentive Program is to reward the achievement of quantitative and qualitative specific objectives, fostering both Company's performance and individual annual performance.
3. Three-year Incentive Programs were conceived to align shareholders and management interests, facilitate retention and provide incentives for management, thereby boosting the value of the Company and disseminating a corporate culture of value creation
4. Total Variable Remuneration for one financial year cannot exceed the amount of Fixed Remuneration for that year, multiplied by 1,5.
5. Calculation of the Variable Remuneration to the Fixed Remuneration ratio is done by comparing maximum amount of all Variable Remuneration components, that may be granted during given year and the total amount of all components of the Fixed Remuneration and Additional Benefits granted in given year, wherein Variable Remuneration due to the Three-year Incentive Program shall be divided by three. When comparing, the Company may not include benefits which monetary gravity is irrelevant, especially the Additional Benefits.

## § 7

### **Three-year Incentive Program and Annual Incentive Program**

1. The Three-year Incentive Program and the Annual Incentive Program (hereinafter, jointly or solely, referred to as the **Incentive Program**) are established by the Supervisory Board by way of a resolution.
2. The Three-year Incentive Program and the Annual Incentive Program determine the limit of the Variable Remuneration for given period.
3. The amount of Variable Remuneration related to Annual Incentive Program depends on, some or all of following criteria (rewarded objectives), which are specified or extended by the Supervisory Board:
  - 1) operating results of the Company during reference year;
  - 2) achievement of specific milestones related to projects of management of motorways and automobile traffic, including toll collection system;
  - 3) Company's relations with competent supervisory authorities;
  - 4) evaluation of the Management Board's actions aiming at maintaining Company's concessions;
  - 5) monitoring of potential projects related to development possibilities;
  - 6) achievement of specific milestones related to infrastructural projects in managed motorways;
  - 7) specific responsibilities related to given personal role in the organization.

4. The amount of Variable Remuneration related to Three-year Incentive Program depends on, some or all of following criteria (rewarded objectives), which are specified or extended by the Supervisory Board, following the proposal of Remuneration Committee:
  - 1) operating results of the Company during reference performance period
  - 2) service quality and safety on motorways;
  - 3) Company's contribution to the natural environment protection;
  - 4) taking into account community interests;
  - 5) taking actions aimed to prevent and eliminate negative social impact of Company's activity;
  - 6) realization of infrastructural projects in managed motorways;
  - 7) realization of sustainability projects or achievement of certain long-term KPIs related to it.
5. Both Annual and Three-Years Incentive Programs may include a Gate Objective: a typically financial performance target to be achieved as a condition for payment of Incentive Program
6. A specific point value is assigned to each of the Incentive Program's criterion.
7. Following the end of the Incentive Program duration, the Supervisory Board shall evaluate realization of criteria and grant points according to aforementioned values.
8. The amount of Variable Remuneration resulting from the Incentive Program is calculated by multiplying the limit of the Variable Remuneration by a proportion between number of points granted to a member of the Management Board and the total number of available points, referred to in section 2.
9. The Supervisory Board, building on the proposal made by Remuneration Committee, decides by way of a resolution to grant Variable Remuneration resulting from the Incentive Program, after evaluating the rewarded objectives referred to in section 5.
10. Payment of the Variable Remuneration may depend on the fact of remaining employed by the Company or on the fact, that one's management mandate lasted for the whole duration of given incentive program.
11. Executing business strategy, long-term interests of the Company and its stability should be fostered in particular by:
  - 1) adopting a clear, complex and diverse criteria in the field of financial and non-financial results, related to granting the Variable Remuneration;
  - 2) appointing point values to each criteria;
  - 3) balancing the quantity and the quality criteria;
  - 4) verification of fulfillment of each criteria that determines the amount of granted Variable Remuneration;
  - 5) determining the proportion between the Fixed and the Variable Remuneration
12. Rules concerning payment of the Variable Remuneration may provide deferral periods.
13. Rewarded objectives for the period of the Annual Incentive Program for the given year are set at the latest before the end of the second quarter of the given financial year by the Supervisory Board by way of a resolution, following Remuneration Committee proposal. Rewarded objectives for the period of the Three-year Incentive Program for the given three-year period are set by the Supervisory Board by way of a resolution taken at the

latest before the end of the second quarter of the first financial year in a given three-year period.

14. Resolution on granting the Variable Remuneration stemming from the Annual Incentive Program should be taken by the Supervisory Board at the latest within 4 months from the approval of the financial report for the previous financial year. Resolution on granting the Variable Remuneration stemming from the Three-year Incentive Program should be taken by the Supervisory Board at the latest within 4 months from the approval of the financial report for the last financial year in the given three-year period.

## **§ 8**

### **General rules concerning Additional Benefits**

1. The Supervisory Board may grant Additional Benefits to the members of the Management Board.
2. Furthermore, except the Additional Benefits, the members of the Management Board and/or the members of the Supervisory Board, who are simultaneously employed in the Capital Group, are or will be included in additional retirement or disability pension schemes, in particular Occupational Capital Pension Schemes or Occupational Retirement Schemes, or other benefits, if it results from:
  - 1) applicable law,
  - 2) internal regulations (e.g. Remuneration Regulations) ruling in the companies of the Capital Group of their employment or
  - 3) the implementation of a relevant schemes to the companies of the Capital Group of their employment.

## **§ 9**

### **Avoiding conflicts of interest**

1. To avoid conflicts of interest concerning matters encompassed in the Policy, Organisational separation during setting the amounts of remunerations, as provided in Articles 378 and 392 of CCC with respect to § 5 section 1 and 3, § 7 section 3 and 4, § 8 section 1 of the Policy aims to avoid appearance of conflicts of interest concerning matters encompassed in the Policy.
2. In the event of noticing a conflict of interest regarding matters regulated in Policy by a member of the Management Board or a member of the Supervisory Board, such member shall address his remarks to the Chairman of the Supervisory Board (in case of members of the Supervisory Board) or to the Chairman of the Management Board (in case of members of the Management Board).
3. After being addressed in aforementioned way the Supervisory Board initiate a procedure aiming to update the Policy, pursuant to subsequent decisions, in order to eliminate identified conflict of interest or to prevent it from rising.

**§ 10**  
**Final provisions**

1. Policy shall be submitted by the Remuneration Committee to the opinion and amendments of the Supervisory Board. Thereafter, the Supervisory Board forwards the draft of Policy to the General Meeting.
2. Final version of the Policy is prepared, adopted and updated by the General Meeting. Resolution on the Policy is taken no less frequently than every three years.
3. If the need of a material change in the Policy is identified, before the expire of aforementioned three-year period since the adoption of last change in the Policy, the Supervisory Board shall make adequate request to the General Meeting. The Supervisory Board may request the General Meeting to amend the Policy on its own behalf, or subsequently to the Management Board's motion.
4. Policy shall enter into force on the 1<sup>st</sup> of June 2020 and from that day it shall apply to remunerations of the members of the Management Board and the Supervisory Board.
5. Policy does not apply to termination benefits, discretionary pension benefits and the Variable Remuneration, to which, persons subjected to the Policy, acquired their rights before the Policy entered into force.