

**Resolution No. 4
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: review and approval of the Directors' Report on the Company's operations in 2019 and the Company's financial statements for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.1 of the Commercial Companies Code and Art. 30.1.1 of the Company's Articles of Association, having reviewed the Directors' Report on the Company's operations in 2019 and the Company's financial statements for the financial year 2019, the Annual General Meeting resolves to:

1. Approve the Directors' Report on the Company's operations in the financial year from January 1st to December 31st 2019;
2. Approve the Company's financial statements as at December 31st 2019 and for the period from January 1st to December 31st 2019.

The statement of financial position shows total assets and total equity and liabilities of PLN 932,588,376.13 (nine hundred and thirty-two million, five hundred and eighty-eight thousand, three hundred and seventy-six zloty, 13/100), and the statement of comprehensive income shows a net loss of PLN 284,644,006.59 (two hundred and eighty-four million, six hundred and forty-four thousand, six zloty, 59/100).

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 5
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: review and approval of the Directors' Report on the RAFAKO Group's operations in 2019 and the RAFAKO Group's consolidated financial statements for 2019

Acting pursuant to Art. 395 § 5 of the Commercial Companies Code and Art. 30.1.1 of the Company's Articles of Association, and having reviewed the Directors' Report on the RAFAKO Group's operations in 2019 and the RAFAKO Group's consolidated financial statements for 2019, the Annual General Meeting resolves to:

1. Approve the Directors' Report on the RAFAKO Group's operations for the financial year from January 1st 2019 to December 31st 2019;
2. Approve the RAFAKO Group's consolidated financial statements as at December 31st 2019 and for the period from January 1st 2019 to December 31st 2019.

The consolidated statement of financial position shows total assets and total equity and liabilities of PLN 1,302,430,920.15 (one billion, three hundred and two million, four hundred and thirty thousand, nine hundred and twenty zloty, 15/100), and the consolidated statement of comprehensive income shows a net loss of PLN 477,586,033.08 (four hundred and seventy-seven million, five hundred and eighty-six thousand, thirty-three zloty, 08/100).

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 6
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: approval of the report on the Supervisory Board's activities in 2019

The Annual General Meeting resolves to approve the report on the Supervisory Board's activities in 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 7
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Agnieszka Wasilewska-Semail, Vice President of the Company's Management Board, for 2019, that is for the period from January 1st 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 5.005.977
Votes against: 12.615.769
Abstentions: 42.466.000

**Resolution No. 8
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Jerzy Wiśniewski, President of the Company's Management Board, for 2019, that is for the period from January 1st 2019 to August 20th 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 5.005.977
Votes against: 12.615.769
Abstentions: 42.466.000

**Resolution No. 9
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Jarosław Duśiło, Vice President of the Company's Management Board, for 2019, that is for the period from January 1st 2019 to September 2nd 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 5.005.977
Votes against: 12.615.769
Abstentions: 42.466.000

**Resolution No. 10
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Jerzy Ciechanowski, Vice President of the Company's Management Board, for 2019, that is for the period from September 2nd 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 17.621.746
Votes against: 0
Abstentions: 42.466.000

**Resolution No. 11
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Helena Fic, a Supervisory Board member delegated to temporarily perform the duties of President of the Management Board, for 2019, that is for the period from September 2nd 2019 to November 25th 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 17.621.746
Votes against: 0
Abstentions: 42.466.000

**Resolution No. 12
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Paweł Jarczewski, President of the Company's Management Board, for 2019, that is for the period from November 27th 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 17.621.746
Votes against: 0
Abstentions: 42.466.000

**Resolution No. 13
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Jerzy Karney, a Supervisory Board member delegated to temporarily perform the duties of a Management Board Member, for 2019, that is for the period from November 25th 2019 to December 20th 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 17.621.746
Votes against: 0
Abstentions: 42.466.000

**Resolution No. 14
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a Member of the Company's Management Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Jacek Drozd, Vice President of the Company's Management Board, for 2019, that is for the period from December 20th 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 17.621.746
Votes against: 0
Abstentions: 42.466.000

**Resolution No. 15
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Helena Fic, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to September 2nd 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 16
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Małgorzata Wiśniewska, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 5.005.977
Votes against: 12.615.769
Abstentions: 42.466.000

**Resolution No. 17
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Krzysztof Gerula, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 18
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Przemysław Schmidt, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 19
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Dariusz Szymański, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to November 25th 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 20
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Adam Szyszka, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 21
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Jerzy Karney, Member of the Company's Supervisory Board, for 2019, that is for the period from December 20th 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 22
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Michał Sikorski, Member of the Company's Supervisory Board, for 2019, that is for the period from January 1st 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 23
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: grant of discharge from liability to a member of the Company's Supervisory Board for 2019

Acting pursuant to Art. 393.1 and Art. 395 § 2.3 of the Commercial Companies Code, and Art. 30.1.3 of the Company's Articles of Association, the Annual General Meeting grants discharge from liability to Michał Maćkowiak, Member of the Company's Supervisory Board, for 2019, that is for the period from November 25th 2019 to December 31st 2019.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 24
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: coverage of loss for the financial year from January 1st 2019 to December 31st 2019

Acting pursuant to Art. 395 § 2.2 of the Commercial Companies Code and Art. 30.1.2 in conjunction with Art. 36.1.1 of the Company's Articles of Association, the Annual General Meeting resolves to:

Cover the net loss for the financial year from January 1st 2019 to December 31st 2019, of PLN 284,644,006.59 (two hundred and eighty-four million, six hundred and forty-four thousand, six zloty, 59/100), from the Company's future profits.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0

**Resolution No. 25
of the Annual General Meeting
of RAFAKO S.A. ("Company")
of August 12th 2020**

on: sale of an organised part of business, that is the Company's Solec Kujawski Branch.

Pursuant to Art. 393.3 of the Commercial Companies Code and Art. 30.1.10 of the Company's Articles of Association, the General Meeting resolves to approve the sale of an organised part of business, that is the Company's Solec Kujawski Branch.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 55.081.769
Votes against: 5.005.977
Abstentions: 0

**Resolution No. 26
of the Annual General Meeting
of RAFAKO S.A. (“Company”)
of August 12th 2020**

on: approval of the Company’s remuneration policy.

Pursuant to Art. 90d.1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005, the General Meeting approves the Company’s remuneration policy as set out in Appendix 1 to this Resolution.

The result of the vote:

1. Number of shares validly voted: 60.087.746
2. Percentage of shares voted: 47,15 %
3. Total number of valid votes cast: 60.087.746
including:
Votes in favour: 60.087.746
Votes against: 0
Abstentions: 0



REMUNERATION POLICY
FOR MEMBERS OF THE MANAGEMENT AND SUPERVISORY
BOARDS
OF RAFAKO S.A.

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1. BACKGROUND

This Remuneration Policy for Members of the Management and Supervisory Boards of RAFAKO S.A. has been prepared and approved for the purpose of implementing the provisions of Part 4a of the Act of July 29th 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

This Policy defines the rules governing the determination, monitoring and control of remuneration systems and remuneration practices applied by RAFAKO S.A. with respect to the members of its Management and Supervisory Boards. This Policy reasserts the applied remuneration systems must comply with generally applicable laws, lays down rules for monitoring market practices, and sets out an approach to remuneration systems that ensures stability of the Company's operation.

The Company's approach to remuneration is performance-oriented, takes into account current market conditions, is linked to the stated business strategy and serves shareholders' interests. The key principles underpinning this Policy seek to ensure competitive and effective remuneration, and transparent, fair and proper conduct and performance.

2. DEFINITIONS

Labour Code	the Polish Labour Code of June 26th 1974 (consolidated text: Dz.U. of 2019, item 1040)
Confluence of Interest Committee	a committee established at RAFAKO S.A. in accordance with conflict of interest management rules in order to oversee the process of managing conflicts of interest, which is tasked with putting forward solutions that help to minimise the adverse effects of conflicts of interest and corrective measures designed to prevent conflicts of interest.
Conflict of Interest	a situation or circumstances that may give rise to a conflict between:

- the interest of a member of RAFAKO S.A.'s Management or Supervisory Board and RAFAKO S.A.,
- the interest of a member of RAFAKO S.A.'s Management or Supervisory Board and RAFAKO S.A.'s trading partner that puts the Company's interest at risk.

Policy

the remuneration policy for members of the Management and Supervisory Boards of RAFAKO S.A. approved by Resolution No. 25 of the General Meeting of RAFAKO S.A. of August 3rd 2020.

Supervisory Board

the Supervisory Board of RAFAKO S.A.

Conflict of Interest Management Rules

the rules for managing conflicts of interest at RAFAKO S.A. in effect as of April 30th 2019.

Company

RAFAKO S.A., with its registered office at ul. Łąkowa 33, 47-400 Racibórz, Poland, entered in the Business Register maintained by the District Court in Gliwice, 10th Commercial Division of the National Court Register, under No. KRS 0000034143, Tax Identification Number (NIP): 6390001788.

General Meeting

the General Meeting of RAFAKO S.A.

Management Board

the Management Board of RAFAKO S.A.

3. GENERAL

This Policy is based on solutions that contribute to the implementation of the Company's business strategy, objectives, long-term interests, and operational stability, including its sustainable development and long-term shareholder value growth.

The overriding objectives of this Policy are the following:

- to provide a consistent and motivational remuneration system;
- to link the remuneration rules to the monitoring of implementation of the stated strategic plans and budgets;
- to link the level remuneration to performance against set management objectives;
- to increase the Company's value through development of senior management staff;
- to refine the remuneration systems that contribute to the implementation of growth strategy and directions.

This Policy takes into account the scale, nature and complexity of the Company's operations, employment terms and remuneration of the Company's other employees not covered by this Policy, including, without limitation, persons in managerial roles at the Company (managing directors), taking into account the specific scope of duties of the Management and Supervisory Board members related to the implementation of the Company's strategy and greater responsibility associated with their functions.

4. RULES OF REMUNERATING MANAGEMENT BOARD MEMBERS

Basis and description of the legal relationship

The following contracts have been signed with members of the Management Board:

- indefinite-term employment contracts providing for three months' notice that can be terminated by reason of removal from the position of a Management Board member, or
- indefinite-term management contracts that can be terminated on removal of the Management Board member from his or her position or on expiry of their mandate where the member is not reappointed for another term; the contracts may also be terminated by the Company on three months' notice.

Management Board members perform their duties based on the appointments approved by a Supervisory Board resolution for a term of three years.

In connection with their employment contract and appointment, Management Board members are entitled to receive remuneration, which is set on a case by case basis by way of a Supervisory Board resolution.

Remuneration elements

The main elements of remuneration paid to Management Board members are the following:

- fixed base monthly salary;
- annual bonus (variable pay), depending on delivery of stated tasks and targets, and/or discretionary bonus of up to 40% of the annual base salary;
- severance pay;
- non-compete compensation;
- benefits (medical insurance, third-party liability insurance, etc.).

The fixed and variable remuneration (annual bonus) and other benefits comprising the total remuneration of Management Board members are reasonably in proportion to the Company's financial performance and total costs, which are reviewed at least every four years.

As a rule, the remuneration of Management Board members is adequate relative to the levels of remuneration paid by peer companies. Periodic adequacy reviews may result in a change of remuneration paid to Management Board members, with any decisions on the matter taken by the Supervisory Board by way of a resolution.

The total remuneration of Management Board members, broken down by individual elements and their relative proportions, is disclosed in a report on the remuneration of Management and Supervisory Board members. The remuneration paid by other group entities is disclosed separately in the report on the remuneration of Management and Supervisory Board members.

Any cash or non-cash awards for Management Board members that are not required by law are in each case subject to approval by the Supervisory Board.

Fixed remuneration components

Fixed remuneration is paid monthly in arrears.

Fixed remuneration constitutes a significant portion of the total remuneration and is linked to the level of professional experience, skills required in a given position, and responsibility for the tasks assigned. The Company takes care not to engage in any discriminatory practices in determining remuneration.

Variable remuneration components

Variable remuneration is awarded and paid within the time frames defined by the Supervisory Board, with the annual bonus paid after the closure of a financial year by individual members of the Management Board and upon approval of the financial statements for the period.

Variable remuneration of Management Board members is paid exclusively from the Company's funds, taking into account in particular the scale of the Company's operations and its financial standing, their goals, rules applicable to investor and customer protection, observance of internal rules and procedures, and the position held.

The bonus paid to a Management Board member for a given year may not exceed 40% of the fixed remuneration paid in the calendar year preceding the year for which the variable remuneration is paid.

Rules governing payment of variable remuneration

Variable remuneration depends on fulfilment of specific performance criteria, i.e. achievement of management objectives set by the Supervisory Board based on the following financial and non-financial ratios:

financial ratios

- a) an increase in net profit or EBITDA, or a positive change in the growth rate of any of these metrics;
- b) achievement of a target or a change in production or sales volumes;
- c) revenue by value, particularly sales revenue, operating income, other income or finance income;
- d) added value generated on projects carried out by the Company's Management Board;
- e) a decrease in losses, a reduction in administrative expenses or operating costs;
- f) achievement of or change in certain indicators, including profitability, financial liquidity, operational efficiency, or solvency indicators;
- g) implementation of a project, taking into account its scale, rate of return, innovation and timeliness;

non-financial ratios

- h) implementation of a strategy or restructuring plan;
- i) a change in the market position of the Company, calculated as its share in the market or by other criteria, or a change in relationships with trading partners classified as key trading partners by specified criteria;
- j) implementation of the Company's HR policy and increased employee engagement;

- k) increased efficiency of corporate social responsibility measures;
- l) workload of individual Management Board members.

If the Supervisory Board sets different objectives based on the criteria specified in (a)–(g) above, payment of variable remuneration may depend on accomplishment of these objectives. This Policy does not provide for the Company to request that Management Board members refund variable remuneration components.

The Company may withhold, for a period determined by a Supervisory Board resolution, payment of variable remuneration components, particularly where a Management Board member has taken actions that resulted in a significant loss to the Company.

Management Board member performance assessment

Assessment of the Management Board members' performance is carried out annually by the Supervisory Board and covers the year immediately preceding the assessment.

Final decisions on the amount and payment of bonus are taken by the Supervisory Board by way of a resolution.

Other cash and non-cash benefits

a. reimbursement of expenses

Management Board members acting under an employment contract are entitled to receive reimbursement for travel expenses in accordance with the rules laid down in the Labour Code.

Management Board members acting under management contracts are entitled to receive reimbursement for travel expenses which have been documented and approved by the Company.

b. severance pay

Management Board members employed under employment contracts are entitled to receive a severance pay if their employment contract is terminated by the Company. The amount of the severance pay is equal to three months' remuneration, with the proviso that if a Management Board member's service exceeds six months, the severance pay amount is equal to six months' remuneration.

Management Board members acting under management contracts are entitled to receive a severance pay equal to six months' remuneration, with the proviso that no severance pay is due if the contract is terminated due to the member's failure to perform his or her obligations under the contract, or the member's negligence or wilful misconduct detrimental to the Company's interest.

c. non-compete compensation

The Management Board members acting under management contracts sign non-compete agreements, which provide for payment of non-compete compensation of up to 50% of the base salary provided in their management contracts for a period of up to six months after termination of employment at the Company, as compensation for refraining from work for a competing business.

d. company car

All Management Board members have an unlimited right to use a company car for the purposes of performing their duties and management tasks at the Company, as provided for in the relevant contract. Commuting expenses are not reimbursed by the employer. Where a company car is used for personal use (such as travelling to the workplace), the employer deducts tax under a lending-for-use agreement.

e. company apartment

The Company offers the Management Board members an unlimited right to use the Company's apartments under separate agreements.

f. health insurance

All Management Board members are entitled to have health insurance paid for by the Company.

g. life insurance

All Management Board members are entitled to have life insurance paid for by the Company.

h. third-party liability insurance

All Management Board members are covered by a third-party liability insurance paid for by the Company, on the terms specified in the insurance policy.

i. incentive schemes

As at the date of this Policy, there are no incentive schemes in place at the Company.

In exceptional circumstances which the Supervisory Board believes may pose extraordinary organisational challenges to the Company, the Company may implement an incentive scheme to retain key personnel in a critical period for the Company and to incentivise the Management Board to create value and efficiently prepare the organisation for critical changes.

j. retirement benefits

The Company provides no retirement benefits to Management Board members.

Management Board members may participate in Employee Capital Plans on general terms.

5. RULES OF REMUNERATING SUPERVISORY BOARD MEMBERS

Basis and description of the legal relationship

Supervisory Board members serve on the basis of appointments authorised by a General Meeting resolution for a term of two years, and they receive remuneration for the service. The remuneration is paid monthly in arrears.

Supervisory Board members may be delegated by the Supervisory Board to individually perform supervisory duties.

Remuneration components and payment rules

Supervisory Board members are entitled to receive fixed monthly remuneration determined by the General Meeting in a resolution.

Supervisory Board members delegated to individually perform supervisory tasks may be entitled to receive separate remuneration. The General Meeting authorises the Supervisory Board to determine the amount of such remuneration.

Supervisory Board members' engagement is assessed based on good industry practices and practices followed by entities included in the relevant WSE index to attract, retain and motivate Supervisory Board members needed to exercise proper supervision.

The remuneration of Supervisory Board members factors in any additional involvement of a Supervisory Board member, for instance in the work of the Supervisory Board's special

committees. The amount of such remuneration is in each case determined by the General Meeting in a resolution.

The remuneration of Supervisory Board members is not linked to the Company's performance.

All Supervisory Board members are covered by a third-party liability insurance paid for by the Company, on the terms specified in the insurance policy.

Supervisory Board members may participate in Employee Capital Plans on general terms.

Supervisory Board members are entitled to receive reimbursement for travel expenses which have been documented and approved by the Company.

At their request, Supervisory Board members may use a company car for the purposes of performing their duties and supervisory tasks at the Company, as provided for in a separate agreement.

6. THE REMUNERATION POLICY FROM THE PERSPECTIVE OF POLICY OBJECTIVES

The Management Board member remuneration system is compliant with applicable laws. The system is coherent and linked to the monitoring of the Company's annual budgets, the stated growth strategies and directions.

The form, structure and level of remuneration are market competitive and aim to recruit and retain candidates meeting the criteria required to manage the Company in a way that takes into account the interests of shareholders (creating value for shareholders) and to prevent conflicts of interest between the Management Board members and shareholders. They are transparent to investors, helping to build investor confidence in the Company and equip investors with appropriate procedures to express their opinion.

Payment of variable remuneration components is linked to predetermined and measurable management objectives. The management objectives should contribute to building long-term stability of the Company.

The criteria for the award and amount of variable remuneration are specific, measurable, achievable, relevant and time-bound.

The remuneration and bonus systems in place at the Company support the delivery of strategic objectives and link variable remuneration to the Company's annual financial

standing, taking into account social interests, the Company's environmental commitment, and measures taken to prevent adverse social impacts of the Company's operations and improve its corporate social responsibility performance.

7. POLICY IMPLEMENTATION, SUPERVISION AND REVIEW

Policy implementation

The responsibility for the Policy implementation rests with the Management Board.

The Management Board is responsible for updating this Policy in close cooperation with the Head of HR at the Company.

Any material change to this Policy must be approved by the General Meeting in a resolution.

Policy supervision and review

The Supervisory Board exercises ongoing supervision over this Policy, performs a Policy review at least once a year, examines the structure and levels of remuneration in relation to the Company's costs during the budget approval process, and monitors its implementation.

The Supervisory Board analyses whether the remuneration structure affects the Company's compliance with applicable laws and internal regulations.

Before all or part of the remuneration is paid, the Supervisory Board checks whether detailed criteria and conditions for obtaining variable remuneration components are met.

If in the course of exercising supervision of the Policy implementation the Supervisory Board identifies any irregularities or adverse effects of this Policy on the Company, the Supervisory Board may request the Management Board to prepare draft amendments, submit them to the Supervisory Board for opinion, and then convene a General Meeting whose agenda will include the amendment of this Policy.

Once a year, when full-year financial statements are submitted for approval by the Annual General Meeting, the Supervisory Board prepares and submits to the General Meeting a report on the assessment of the Policy implementation at the Company.

The General Meeting determines whether the approved Policy is conducive to the Company's safe operation and growth. If the General Meeting resolves that this Policy does not support the Company's safe operation and growth, the General Meeting may request the Management Board to prepared draft amendments, submit them to the Supervisory Board

for opinion, and convene a General Meeting whose agenda will include the amendment of this Policy.

8. TEMPORARY DISAPPLICATION OF THE POLICY

The Supervisory Board is not expected to find itself in a situation where it may decide to temporarily disapply this Policy.

9. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

This Policy aims to ensure that any conflicts of interest relating to remuneration are identified and mitigated. Appropriate risk mitigation measures are an element of the variable remuneration award process. These include multi-level decision making, clear and transparent performance assessment rules, and the periodic supervision and review requirements.

The Company does not provide any form of remuneration which might encourage persons covered by this Policy to further their own or the Company's interests and at the same time act to the detriment of the Company's customers.

The remuneration rules laid down in this Policy are not an incentive to take excessive risk of improper sale of the Company's products.

The Company has the Conflict of Interest Management Rules in place, which state how conflicts of interest at the Company are identified, managed and prevented. The Rules apply to the Company employees.

The body responsible for defining the rules for identifying, managing and preventing conflicts of interest involving Management and Supervisory Board members is the Audit Committee of the Supervisory Board.

Management and Supervisory Board members are required to submit a statement to the effect that they have read and agree to comply with the Conflict of Interest Management Rules.

10. FINAL PROVISIONS

This Remuneration Policy comes into force and effect as of August 3rd 2020.