

*REMUNERATION POLICY FOR MEMBERS OF
THE MANAGEMENT BOARD AND
SUPERVISORY BOARD
OF AUTO PARTNER S.A.*



**AUTO PARTNER S.A.
43-150 Bieruń, Poland
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This Remuneration Policy is adopted to comply with the provisions of Art. 90d et seq. of the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Dz.U. of 2019, item 623, as amended).

Section 1 Definitions

In this Policy, the terms defined below shall have the meanings assigned to them in the respective definitions:

- 1) **"Group"** shall mean the Company and the Subsidiaries.
- 2) **"Labour Code"** shall mean the Polish Labour Code Act of 26 June 1974 (consolidated text: Dz.U. of 2019, item 1040, as amended).
- 3) **"Commercial Companies Code"** shall mean the Polish Commercial Companies Code of 15 September 2000 (Dz.U. of 2019, item 505, as amended).
- 6) **"Corporate Board", "Board"** shall mean the Management Board and Supervisory Board of the Company.
- 5) **"Policy"** shall mean this document, adopted pursuant to Art. 90d.1 of the Public Offering Act;
- 6) **"Supervisory Board"** shall mean the Supervisory Board of the Company.
- 7) **"Company"** shall mean Auto Partner Spółka Akcyjna with its registered office in Bieruń, Poland.
- 8) **"Subsidiary"** shall mean a subsidiary of the Company within the meaning of Art. 4.15 of the Public Offering Act.
- 9) **"Public Offering Act"** shall mean the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Dz.U. of 2019, item 623, as amended).
- 10) **"General Meeting", "GM"** shall mean the General Meeting of the Company.
- 11) **"Management Board"** shall mean the Management Board of the Company.

Section 2 General

1. The intention of this Policy is to set out general provisions on remunerating Members of the Management Board and Supervisory Board for directing the Company and for serving in their respective roles on the Corporate Boards of the Company and the Subsidiaries, while ensuring transparency in the remuneration awarded to Board Members.
2. Arrangements outlined in this Policy have been formulated to support the execution of the Company's and the Group's business strategy and stability, including through the establishment of an incentive scheme for Management Board Members contingent on financial performance of the Group. The business strategy is focused on ensuring sustainable growth of shareholder value by further upscaling the business, increasing the market share, and strengthening the market position. Simultaneously, there is a focus on enhancing business process efficiency to achieve attractive profit margins. The Group's strategic goals are underpinned by the following objectives:
 - Growth of the business scale.
 - Further product diversification.
 - Further increase in profitability.
 - Expansion into new markets.

3. This Policy promotes rational business decisions, with due account taken of prevailing market conditions and socioeconomic factors. It seeks to align the interests of Management Board Members with those of shareholders, thereby positively contributing to the stability and condition of both the Company and the Auto Partner Group.

Section 3

Structure of remuneration for Management Board Members

1. Remuneration for Management Board Members may include the following components:
 - a) Fixed Remuneration.
 - b) Variable Remuneration.
 - c) Additional Benefits.
 - d) Reimbursement of function-related expenses.
2. Members of the Management Board of the Company may be remunerated for serving in their roles and for responsibilities assigned to them as members of the management boards of Subsidiaries. Such remuneration may be fixed, variable and may include Additional Benefits.
3. As at the adoption date of this Policy, no remuneration in the form of financial instruments, pension schemes or early retirement plans has been instituted at the Company.

Section 4

Fixed Remuneration for Management Board Members

1. Fixed Remuneration shall constitute the monthly remuneration for serving in the relevant roles within the Group and associated responsibilities, considering the prevailing market conditions and excluding performance-linked criteria. When determining Fixed Remuneration, factors such as competence and responsibility of the Management Board Member and their influence on the Company's operations, particularly in managing specific areas, should be taken into account.
2. Members of the Management Board may receive Fixed Remuneration based on:
 - a) their appointment to serve as Member of the Management Board for the duration of such appointment,
 - b) employment contract,
 - c) managerial contract or other civil-law contract.
3. Employment contracts, managerial contracts and other civil-law contracts may be concluded for either a definite or indefinite period.
4. The notice period for termination of employment contracts is as prescribed by relevant provisions of the Labour Code. The notice period for termination of managerial contracts or other civil-law contracts may not be less than three months.
5. Members of the Management Board employed under employment contracts are subject to all regulations of the labour law, including the Labour Code, other pertinent statutes and implementing regulations setting out the rights and obligations of employees and employers, as well as the Company's internal regulations.
6. In the event an employment contract, managerial contract or other civil-law contract is terminated by the Company for reasons other than those justifying termination with immediate effect, the contractually specified compensation due on that account to the Management Board Member may not exceed the equivalent of 12 times the monthly

- remuneration specified in the contract.
7. Contracts with Management Board Members may additionally include post-termination non-compete provisions for a period of not less than three months, with the Company being obligated to pay non-compete compensation for that period, up to 100% of the remuneration specified in the contract.
 8. When consenting to serve on the Management Board, a Management Board Member may indicate the preferred form of legal relationship for performing the management duties. In the course of negotiations with a Management Board Member, the Supervisory Board shall determine the legal basis for the management relationship and the applicable remuneration rules.
 9. The legal basis under which the Management Board Member will manage the Company and the amount of their Fixed Remuneration shall be determined by way of a resolution of the Supervisory Board.
 10. Contracts with Management Board Members are executed on behalf of the Company by the Chair of the Supervisory Board or another representative of the Supervisory Board, duly authorised by a resolution of the Supervisory Board. All actions related to the employment relationship, managerial contact or civil-law contract of a Management Board Member will follow the same procedure.
 11. Fixed Remuneration of Management Board Members may not exceed 12 times the average remuneration of the Company's employee for the previous financial year.

Section 5

Variable Remuneration for Management Board Members

1. Variable Remuneration shall constitute bonuses awarded for achieving short-, medium- or long-term objectives aligned with the Company's strategy. Such bonuses may take the form of additional payments as well as short- or long-term incentive schemes.
2. The purpose of Variable Remuneration is to establish mechanisms encouraging activities that would ensure growth of the Company value, reduce turnover of the Company's management staff, and reward their contribution to the Company value growth.
3. Every Member of the Management Board shall be eligible to receive Variable Remuneration, contingent upon the financial performance, certain other metrics, and strategic objectives of the Company or the Group.
4. Precise rules for the determination, calculation, and disbursement of Variable Remuneration shall be laid down by the Supervisory Board by way of its resolution or in separate regulations.
5. The payment of Variable Remuneration for a financial year shall be sanctioned by a Supervisory Board resolution and shall take place within the timeframe specified in the said resolution or the relevant regulations adopted by the Supervisory Board, with the proviso that such payment may not take place before the issue of the Group's consolidated financial statements for that year.
6. The value of Variable Remuneration for a financial year may not exceed 20 times the Fixed Remuneration for that year.
7. For the period spanning 2019 to 2021, the Incentive Scheme for Members of the Management Board adopted by the Supervisory Board on 9 April 2019 shall remain in effect. The scheme may be modified or suspended by way of a resolution of the Supervisory Board.

Section 6
Additional Benefits for Management Board Members

1. Additional Benefits shall encompass various other allowances and perquisites, both monetary and non-monetary, including, but not limited to, the provision of a business car (also for private use), mobile phone, supplementary insurance, employer co-funded medical care (including for immediate family members), Multisport and OK System cards, employer co-funded meals, access to benefits specified in the Regulations of the Company Social Benefits Fund, and training opportunities.
2. Members of the Management Board shall be eligible to receive Additional Benefits only if such benefits are introduced for the Company's employees and regular associates, or for designated groups of such individuals, under internal regulations.
3. The Company shall cover business travel expenses of Management Board Members in accordance with the applicable laws and internal regulations in place at the Company.
4. Members of the Management Board may participate in the Employee Capital Plan on the terms applicable to all Company employees, in accordance with generally applicable laws.
5. Members of the Management Board shall be covered by D&O liability insurance for Members of the Company's Boards.

Section 7
Remuneration of the Supervisory Board

1. Remuneration payable to Members of the Supervisory Board may include:
 - a) Fixed Remuneration.
 - b) Remuneration for participation in Supervisory Board meetings.
 - c) Additional Benefits.
 - d) Reimbursement of function-related expenses.
2. The amounts of Fixed Remuneration for Supervisory Board Members and Remuneration for participation in Supervisory Board meetings shall be determined by the General Meeting.
3. A Supervisory Board Member serving on a Committee within the Supervisory Board may receive remuneration as decided by a resolution of the General Meeting.
4. Supervisory Board Members delegated to exercise individual supervision on a permanent basis pursuant to Art. 390.3 of the Commercial Companies Code shall receive separate remuneration, the amount of which shall be determined by the General Meeting. The General Meeting may delegate this authority to the Supervisory Board.
5. Termination of the legal relationship between a Supervisory Board Member and the Company shall be effected in accordance with generally applicable laws. No benefits shall be payable to the Supervisory Board Member as a consequence of such termination.
6. As at the adoption date of this Policy, no remuneration in the form of financial instruments, pension schemes or early retirement plans is awarded by the Company to Supervisory Board Members.
7. Members of the Supervisory Board shall be covered by D&O liability insurance for Members of the Company's Boards.

Section 8
Reimbursement of expenses incurred in performing the management/supervision functions

1. To be eligible for reimbursement of expenses associated with the performance of

management or supervision duties, as applicable, the respective Board Member must furnish evidence (including, but not limited to, documents that, in accordance with generally applicable laws, may serve as accounting evidence of such expenditure) substantiating the actual incurrence of those expenses.

2. Specifically, Members of the Supervisory Board shall be entitled to seek reimbursement of travel expenses incurred to attend Supervisory Board meetings.

Section 9 **Avoidance of conflicts of interest**

1. This Policy seeks to ensure that potential conflicts of interest associated with the remuneration of Management Board Members and Supervisory Board Members are identified and mitigated.
2. Measures to avoid conflicts of interest in formulating and implementing this Policy include:
 - a) Right to report any observed violations of this Policy.
 - b) Obligation to report any potential conflict of interest affecting each individual Board Member.
3. Should any Board Member become aware of a reasonably possible conflict of interest concerning that Member within the purview of this Policy, the Member is required to notify:
 - a) If that person is a Member of the Management Board – the Chair of the Supervisory Board.
 - b) If that person is a Member of the Supervisory Board – the President of the Management Board.
4. In the event of an identified conflict of interest, the Supervisory Board shall notify the General Meeting of its occurrence in the Remuneration Report referred to in Section 14.3 of this Policy. Additionally, the Supervisory Board shall propose recommended actions to resolve the conflict.

Section 10 **Incorporation of conditions of work and pay applicable to other employees**

This Policy incorporates the following conditions of work and pay applicable to other employees of the Company:

- a) Eligibility to receive Additional Benefits by Board Members shall be subject to the introduction of such benefits for the Company's employees and associates, or for designated groups of such individuals.
- b) Fixed Remuneration of Management Board Members shall be correlated with the average remuneration of the Company's employees.

Section 11 **Authorisation granted to the Supervisory Board**

Pursuant to Art. 90d.7 of the Public Offering Act, the General Meeting shall authorise the Supervisory Board to detail out the rules governing the determination of Fixed Remuneration, Variable Remuneration and Additional Benefits. Specifically, this shall include:

- a) criteria relating to financial and non-financial performance on which the award of Variable Remuneration would be contingent, including criteria reflecting the

- Company's social and environmental performance, and actions taken to prevent and eliminate adverse social impacts of the Company's operations,
- b) deferral periods for the payment and provision for the Company to reclaim components of Variable Remuneration,
 - c) vesting periods for Members of the Management Board or Supervisory Board to gain the right to receive remuneration in the form of financial instruments, rules governing their transferability, and an explanation of how remuneration in the form of financial instruments contributes to the accomplishment of defined objectives, in cases where the Company remunerates Members of the Management Board or Supervisory Board with financial instruments.

Section 12

Material changes introduced by this Policy

This Remuneration Policy has not introduced any material changes to the remuneration practice in effect for Members of the Management Board and Supervisory Board of the Company in the period immediately preceding the adoption of the first version of this Policy.

Section 13

Temporary disapplication of this Policy

1. In circumstances where it is deemed necessary to secure the long-term interests, financial stability or profitability of the Company, the Supervisory Board may decide to temporarily disapply this Policy. Such temporary waiver may specifically arise from the need to:
 - a) Prevent or address any adverse market or social developments, emergencies, natural disasters, epidemics or other force majeure events that are affecting or may affect the Company.
 - b) Flexibly respond to conditions prevailing on the labour market, which might lead to an outflow from the Company or pose challenges in attracting talent whose presence on the Corporate Boards would support the Company's long-term interests, financial stability or profitability.
2. The decision referred to in Section 13.1 may be taken by the Supervisory Board on its own initiative or at the request of the Management Board, with the proviso that the Management Board's proposal shall contain at least an indication of the reason why this Policy should be temporarily disappplied and the proposed waiver period.
3. Unless the request for the decision referred to in Section 13.1 originates from the Management Board, the Supervisory Board should consider the Management Board's position before taking such decision.
4. The resolution concerning the decision referred to in Section 13.1 should stipulate the period during which this Policy will be waived, with the proviso that if, prior to the expiry of the waiver period, circumstances necessitating such temporary disapplication of this Policy cease to exist, the Supervisory Board should pass a resolution to reinstate the application of this Policy.

Section 14

Remuneration Report

1. The Supervisory Board shall prepare an annual Remuneration Report pursuant to Art.90g.1 of the Act, providing the General Meeting with a comprehensive overview of the remuneration, including all benefits, in whatever form, received by individual Management Board and Supervisory Board Members or due to individual Management Board and Supervisory Board Members during the previous financial

year.

2. For the first time, the Supervisory Board shall prepare a Remuneration Report jointly for the years 2019 and 2020.
3. Responsibility for information contained in the Remuneration Report shall lie with Members of the Supervisory Board.
4. If the remuneration for Management Board Members or a Supervisory Board Member includes monetary or non-monetary benefits granted for the Members' close persons, the Remuneration Report shall include information on the value of such benefits. A close person is a spouse, ascendant, descendant, sibling, relative by affinity in the same line or in the same degree, an adoptee and his or her spouse, as well as a cohabiting partner.
5. The Remuneration Report shall be reviewed by a qualified auditor.
6. The Company shall publish the Remuneration Report on its website and shall make it available free of charge for at least ten years from the closing of the General Meeting that provided its opinion on the report. If the Company makes the Remuneration Report available after the end of such period, the report may not contain the personal details of Members of the Management Board and Supervisory Board.

Section 15 **Miscellaneous**

1. This Policy has been formulated by the Supervisory Board together with the Management Board.
2. This Policy shall be adopted by the General Meeting by way of a resolution.
3. The General Meeting shall pass a resolution for the approval or revision of this Policy at least once every four years.
4. The Company shall promptly publish the Remuneration Policy and the General Meeting's resolution on the Remuneration Policy, along with the adoption date and voting results, on its website. These documents must remain accessible for at least the duration of their applicability.
5. If a material amendment to this Policy is deemed necessary within a period of less than four years from the adoption of the most recent revision, the Supervisory Board shall submit a relevant proposal to the General Meeting. The Supervisory Board may submit a proposal to amend this Policy to the General Meeting acting on its own initiative or at the request of the Management Board.
6. Appendix 1 to this Remuneration Policy specifies the duration of the legal relationships with Management Board and Supervisory Board Members, as well as the relevant notice periods and termination conditions. Appendix 1 shall be updated as needed by the Management Board (with no resolution of the General Meeting required for that purpose).
7. This Policy shall come into force with effect from 1 July 2020 and shall be applicable from that date onwards for the payment of remuneration to Members of the Management Board and Supervisory Board.

*Document adopted by Resolution No. 22 of the Annual General Meeting of 19 June 2020.
This Policy constitutes an appendix to the aforementioned resolution.*

Appendix 1 to the Remuneration Policy

Duration of the legal relationships of Management Board and Supervisory Board Members with the Company, relevant notice periods and termination conditions.

Management Board:

Full name	Position	Basis and duration of the legal relationship with the Company	Notice period for termination of employment	Conditions for termination of employment	Post-termination non-compete provisions

Supervisory Board:

Full name	Position	Basis and duration of the legal relationship with the Company	Notice period for termination of employment	Conditions for termination of employment	Post-termination non-compete provisions
