

	Document name
	<b>Remuneration Policy for Members of the Management Board and Supervisory Board</b>
	Version: 1.0

## 1. The Policy objective.

The Remuneration Policy for the Members of the Management Board and Supervisory Board of Asseco South Eastern Europe S.A., hereinafter referred to as "**the Policy**", sets out the basis, principles and procedures for determining, calculating and paying remuneration to the Members of the Management Board and Supervisory Board. The solutions adopted in the Remuneration Policy should contribute to the implementation of the business strategy, long-term interests and stability of the Company.

## 2. Definitions of terms.

- **Company** – Asseco South Eastern Europe S.A. seated in Rzeszow;
- **Management Board** – the Management Board of the Company;
- **Supervisory Board** – the Supervisory Board of the Company;
- **Audit Committee** – the Audit Committee appointed by the Supervisory Board of the Company;
- **Segment** – the part of the Company's or Group's structure supervised by one of the Members of the Management Board according to the division of tasks and responsibilities among the Members of the Management Board;
- **Group** – the capital group consisting of the Company as the parent company and subsidiaries controlled by the Company;
- **The Act** – The Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies.

## **Remuneration for Members of the Management Board.**

### 3. The legal basis for remuneration of the Management Board Members.

The legal basis for remuneration of Members of the Management Board is the legal relationship between the Company and a Member of the Management Board. The Company provides for entrusting the management of the Company based on three legal relations:

- the employment relationship performed under an employment contract concluded for an indefinite period;
- the assignment of the Company's management services (managerial contract) concluded for the period of holding the position of a Member of the Management Board;

- the appointment to perform the function of a Member of the Management Board for the duration of holding the position of a Member of the Management Board.

The Supervisory Board, in the course of negotiations with a Member of the Management Board, shall determine the legal basis for the established management relationship and the rules of remunerating a Member of the Management Board. The legal basis for managing the Company by a Member of the Management Board shall be determined by way of a resolution of the Supervisory Board. When determining the legal basis for remuneration of Members of the Management Board, the Supervisory Board shall base its determination on the actual economic content of the relationship between the parties (i.e. the Company and a Member of the Management Board). Concurrently, the basic principles for remuneration of a Member of the Management Board concerning the fixed and variable parts of remuneration must remain the same, irrespective of the legal basis applied.

The Supervisory Board determines the level of remuneration payable by the Company to Members of the Management Board. In this respect, the Supervisory Board, when determining the amount of remuneration payable to a Management Board Member for participation in the Company's Management Board, takes into account the fact that due to the nature of the Company's predominant activity, i.e. holding business, Management Board Members may perform functions in the supervisory bodies of the Group companies, exercising there the rights vested in the Company as a shareholder of these entities or performing supervisory functions on behalf of the Company.

#### **4. Remuneration components for Members of the Management Board.**

Regardless of the legal form of the relationship between a Member of the Management Board and the Company, a Member of the Management Board may receive financial remuneration consisting of two parts, i.e. a fixed part and a variable part. When appointing a Member of the Management Board, the Supervisory Board shall determine the basic components of the financial remuneration of a Member of the Management Board, including the amount of fixed and variable remuneration, as well as the rules for determining the variable remuneration depending on financial performance, in a resolution appointing a Member of the Management Board or in a separate resolution.

The Supervisory Board may also grant a Management Board Member the right to other non-financial benefits.

#### **5. The fixed part of the Management Board Member's remuneration.**

Each Member of the Company's Management Board may receive a fixed remuneration, paid monthly in the amount specified in a resolution of the Supervisory Board on the date of payment of remuneration to the Company's employees. The amount of monthly remuneration shall be determined in the gross amount. If the Company concludes an employment contract or managerial contract with a Management Board Member, the amount of fixed remuneration shall be clearly indicated in their content.

If a fixed part of the remuneration is separated, the fixed remuneration paid by the Company for the financial year may not exceed 40.00% (fourty percent) of the maximum amount of remuneration provided for that financial year.

## **6. The variable part of the Management Board Member's remuneration.**

Each Member of the Company's Management Board may receive variable remuneration, depending on financial performance. The dependence on the financial results may concern the results of the entire Company and/or the Group and/or the Segment which is supervised by a given Management Board Member. Detailed principles of determining, calculating and paying the variable remuneration are defined by the Supervisory Board in a resolution or in the adopted Management Board Remuneration Regulations. The Supervisory Board, when appointing of the Management Board Member and at the beginning of each financial year of the current term of office, determines the amount of remuneration taking into account the dependence of the variable remuneration of the Member of the Management Board on the adopted budget of the Company, including the division of the dependence of this part of the remuneration on the financial results of the whole Company and/or its Group and/or the supervised Segment. The amounts of variable remuneration are determined in the gross amount. The variable part of the remuneration is paid after the end of the financial year for which the remuneration is calculated and paid on the basis of the data from the financial statements, confirmed by the auditor's report. The Supervisory Board may establish the right for advance payment of part of variable remuneration, but no more than 60 percent (sixty percent) of the maximum amount of variable remuneration for that financial year, subject to the timely completion of budgetary targets.

The rules of calculating, paying and possibly reimbursing the overpaid variable remuneration, to which a Management Board Member is entitled, are specified in resolutions of the Supervisory Board, and in case of concluding an employment contract or management contract, are also specified in these documents.

If it is found that during the financial year there are no grounds for paying a given Management Board Member a part of the variable remuneration, the President of the Management Board is obliged to notify the Head of the Supervisory Board of such circumstances. The notification shall withhold the payment of advances. The Supervisory Board shall immediately decide whether the suspension of advance payments is justified.

If the Supervisory Board confirms that the notification is justified, the Management Board Member shall be obliged to return the overpaid part of the variable remuneration. A Board Member is obliged to accept in writing the rules of settling the overpaid advances by way of deduction.

## **7. Non-financial benefits for a Member of the Management Board.**

Each Member of the Management Board may also receive other non-financial benefits from the Company, including:

- The right to use specific Company assets;

- The right to additional insurance;
- The right to take advantage of additional non-wage benefits provided to persons employed by the Company and constantly cooperating with the Company;
- The right to participate on general terms in the Company's pension schemes (including the Employee Capital Plan).

The scope and principles of non-monetary benefits to which a Member of the Management Board is entitled are set out in detail in a resolution of the Supervisory Board, and in the case of concluding an employment contract or managerial contract also in these documents.

## **8. Change in the remuneration.**

President of the Management Board and each Member of the Management Board, in justified cases, may submit a request to the Supervisory Board to change the legal basis for the established management relationship and the rules of remuneration of a Member of the Management Board, including determination of a different value of the fixed part and the variable part of remuneration, as well as a different scope and different value of non-financial benefits.

## **Remuneration for Members of the Supervisory Board.**

### **9. Legal basis for remuneration of the Supervisory Board Members.**

Resolutions of the General Meeting of Shareholders shall be the sole legal basis for remuneration of Members of the Supervisory Board for performing their functions in a supervisory body. The principles for remuneration of Members of the Supervisory Board may be set forth in a resolution appointing a Member of the Supervisory Board or in a separate resolution.

### **10. Remuneration components for Members of the Supervisory Board.**

A Member of the Supervisory Board may receive remuneration from the Company for the performance of his/her functions in a supervisory body exclusively in the form of a fixed, flat-rate monthly gross amount determined by a resolution of the General Meeting, subject to the following sentence. The Supervisory Board Chairman and Vice Chairman may receive remuneration higher than that paid to other Supervisory Board Members, taking into account the additional workload connected with their functions.

### **11. Remuneration for Members of the Audit Committee.**

A Supervisory Board Member, who is also a Member of the Audit Committee, receives a monthly additional remuneration in the form of a fixed, flat-rate monthly gross amount determined by resolution of the General Meeting.

### **12. Limitation of remuneration.**

Members of the Management Board for managing the Company and possibly managing the Segment and performing functions in the management body, as well as Members of the Supervisory Board for performing functions in the

supervisory body, may not receive from the Company any other remuneration neither financial nor non-financial than described above.

### **13. Taking into account of working conditions and wages of other employees.**

The Company, due to its predominant activity - holding activity, focusing on the management of the Group, operates on the basis of expert staff. The personnel resources are used on the basis of employment contracts or civil law contracts. The use of various forms of cooperation with expert staff enables flexible selection of the best staff and quick response to the constantly changing economic reality related to the availability of personnel resources on the market at a given time, which is particularly characteristic for the sector in which the Company operates. It also allows to adjust the conditions of cooperation with the expert staff to the tasks being carried out, in particular the close correlation between the amount of remuneration and the economic effects achieved by the Company and/or the Group.

The possibility of employing Members of the Management Board on similar terms, i.e. the possibility of authorising them not only on the basis of the Supervisory Board's resolutions, but also on the basis of employment contracts concluded for an indefinite period of time or longer-term assignment contracts, with the possibility of termination by giving three to six months' notice, underlines the Company's great flexibility in the area of formal and legal approach to employment. The applied division of the financial remuneration of Members of the Management Board into fixed and variable parts, the amount of which is mostly dependent on the economic effects of the Company and the results of its individual organisational structures, to an even greater extent than in the case of other employees (where the fixed part of remuneration prevails) encourages Members of the Management Board to take thoughtful actions resulting in the Company and/or the Group achieving increasingly better economic effects, while ensuring stability of its operations over longer periods of time.

Management Board Members, similarly to other employees of the Company, may be covered by an additional non-competition agreement after the termination of their employment, on the principles resulting from the generally applicable laws provided for employees. The period of the non-competition clause after the termination of employment should not exceed 12 months, and the due compensation paid by the Company to the Member of the Management Board cannot exceed the remuneration received by the Member of the Management Board before the termination of employment for the period corresponding to the period of the non-competition clause.

Setting a fixed flat-rate remuneration for Members of the Supervisory Board guarantees stable functioning of the Supervisory Board as a supervisory body, where its Members, not being directly dependent on the financial result, with due caution and without unnecessary risks, will exercise supervision over the current activity of the Company and the activities of the Management Board and its Members.

#### **14. Authorisation granted by the General Meeting.**

The General Meeting authorises the Supervisory Board to specify the elements of the Policy set out in items 4-8, including, in particular, the determination of the part of variable remuneration, subject to taking into account the changes in the amount of such remuneration, adequate to the financial results of the entire Company and/or its Group and/or Segment, directly managed by a given Management Board Member.

The Supervisory Board, on the basis of this authorisation, may also decide to specify this Policy by adopting the Regulations for the remuneration of the Management Board.

In case of a threat to the financial stability of the Company and inability to guarantee its profitability, resulting from the failure to implement the budget assumptions in a significant part, the Supervisory Board may temporarily withdraw from applying the Policy in whole or in part. The withdrawal from application of the Policy may not be adopted at once for a period longer than three financial years.

#### **15. Remuneration reports.**

Each year the Supervisory Board shall prepare a remuneration report presenting a comprehensive overview of remuneration, including all benefits, regardless of their form, received by individual Members of the Management Board and Supervisory Board or due to individual Members of the Management Board and Supervisory Board in the last financial year, in accordance with the remuneration policy.

The Board will prepare its first remuneration report jointly for years 2019 and 2020.

The Supervisory Board Members are responsible for the information contained in the remuneration report.

The remuneration report for each Member of the Management Board and the Supervisory Board shall include in particular:

1. the total amount of remuneration, divided to the components referred to in Article 90d section 3 item 1 of The Act, and the mutual proportions between those components;
2. explanation of the manner in which the total remuneration is consistent with the adopted Policy, including the manner in which it contributes to the Company's long-term results;
3. information on the manner in which the performance criteria were applied;
4. information on changes, on an annual basis, in the remuneration, performance of the Company and the average remuneration of employees of that Company who are not members of the Management Board or the Supervisory Board over the last five financial years, on a total basis, in a manner allowing for comparison;
5. the amount of remuneration from entities belonging to the same capital group within the meaning of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, items 351, 1495, 1571, 1655 and 1680);
6. the number of financial instruments granted or offered and the main conditions for exercising the rights from these instruments, including the price and date of exercise and their changes;
7. information on the use of the possibility to demand the return of variable remuneration components;
8. information on deviations from the procedure of implementation of the remuneration policy and deviations applied in accordance with Article 90f of The Act, including an explanation of the conditions and procedure, and an indication of the elements from which the deviations were applied.

## **16. The Policy establishment and implementation. Conflict resolution.**

The Policy as an act of the Company's internal law was created in a standard process for the Company with the participation of legal service and relevant Members of the Management Board responsible for the everyday functioning of corporate bodies and organizational structures, together with the Supervisory Board's opinion. The final decision on the Policy was made by the General Meeting. The implementation of the Policy and current supervision over its functioning is carried out and conducted by the Management Board in accordance with the division of competences.

The Supervisory Board carries out general supervision over the implementation of the Policy on an ongoing basis. While preparing the report, the Supervisory Board performs a comprehensive review of the Policy.

The entities implementing the Policy examine on a current basis the possibility of a conflict of interest related to the Policy, taking into account the provisions

of the Company's internal law documents and the Policy approved by the Management Board (including the Conflict of Interest Management Policy).

The Regulations adopted by the Supervisory Board should contain provisions aimed at avoiding the conflict of interests related to the Policy, as well as allowing for the settlement of possible disputes arising from the Policy and management of such conflicts.

### **17. Application of the Policy.**

The provisions of this Policy shall be binding from the date of adoption of this Policy by a resolution of the General Meeting of Shareholders.

The existing rules shall apply to determine, calculate and pay the variable part of the remuneration of the Management Board Members for the financial year 2019 and 2020, as determined by resolutions of the Supervisory Board adopted before the date of entry into force of this Policy, unless the Supervisory Board considers that they are contrary to the basic rules of this Policy, taking into account the principle of acquired rights in relation to the Management Board Members employed under an employment contract.

The existing rules shall be applied to determine, calculate and pay remuneration of the Members of the Supervisory Board for the financial years 2019 and 2020, as determined by resolutions of the Supervisory Board adopted prior to the date of entry into force of this Policy, unless the General Meeting finds that they are contrary to the basic principles of this Policy.

### **Related documents:**

- The Company's Articles of Association
- The General Meeting Regulations
- The Supervisory Board Regulations
- The Management Board Regulations
- Conflict of Interest Management Policy