

**REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF MABION S.A. WITH ITS REGISTERED OFFICE IN KONSTANTYNÓW ŁÓDZKI**

The present document, hereinafter referred to as Remuneration Policy, specifies the rules concerning remuneration of Members of the Management Board and Members of the Supervisory Board of Mabion S.A. with its registered office in Konstancin Łódzki ("Company"), and it was adopted pursuant to Article 90d (1) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, as amended ("Act").

This Remuneration Policy forms part of the Company's comprehensive employment and remuneration policy for Management Board and Supervisory Board Members. The objective of the Remuneration Policy is to create the conditions to attract, retain, and motivate people with skills and experience necessary for the Company's continued robust growth.

**§ 1**

**Definitions and general provisions**

1. This Remuneration Policy is adopted pursuant to Article 90d (1) of the Act.
2. Whenever this Remuneration Policy refers to:
  - (a) "**GPW**" – it shall mean Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange).
  - (b) "**Covered Person**" – it shall mean a Management Board member or a Supervisory Board Member in question.
  - (c) "**Legal Basis of Employment**" – it shall mean an employment contract, management contract, mandate contract, resolution on the appointment, or any other legal relationship of a similar nature between the Company and a Member of the Management Board.
  - (d) "**Report**" – it shall mean the remuneration report drawn up by the Supervisory Board as referred to in Article 90g of the Act.
  - (e) "**Financial Statements**" – it shall mean the Company's financial statements within the meaning of the Accounting Act of 29 September 1994, as amended, approved by the Ordinary General Meeting.
  - (f) "**Supervisory Board**" – it shall mean the Company's supervisory board.
  - (g) "**Articles of Association**" – it shall mean the Company's Articles of Association.
  - (h) "**Act**" it shall mean the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, as amended.
  - (i) "**General Meeting**" – it shall mean the Company's general meeting.
  - (j) "**Management Board**" – it shall mean the Company's Management Board.

- (k) "**Ordinary General Meeting**" – it shall mean a General Meeting convened to examine and approve the Directors' Report and the financial statements for the preceding financial year, to adopt resolutions on the distribution of profit or the coverage of loss, to grant a discharge of duties to the members of the bodies, and to adopt the resolution referred to in Article 90g (6) of the Act.
3. The Remuneration Policy shall govern the remuneration of the Covered Person.
  4. The Company shall only pay remuneration to a Covered Person in line with the rules described in the Remuneration Policy.
  5. The Company shall make the Remuneration Policy available in line with the provisions of the Act.
  6. The Remuneration Policy, insofar as regulated herein, overrides any other documents governing the remuneration of Covered Persons in force in the Company.
  7. Without prejudice to the Remuneration Policy, the Covered Person shall also be bound by the provisions of the relevant agreements and other documents governing remuneration that apply to the Company.
  8. The Remuneration Policy shall contribute to the Company's growth strategy, its long-term interests, and its stability ("**Strategy**"). In line with the directions set out in the Strategy, short-, medium- and long-term development objectives shall be defined for the Company's business, including market, performance, or loyalty objectives ("**Objectives**"), whose achievement may affect the level of remuneration of the Persons Covered by the Remuneration Policy.
  9. The rules for remuneration of the Covered Person provided for in the Remuneration Policy shall contribute to the implementation of the Strategy and Objectives by ensuring:
    - (a) full commitment of the Covered Person to the performance of their functions in the Company;
    - (b) motivation of the Covered Person to implement the Strategy and Objectives;
    - (c) permanent association of the Covered Person with the Company;
    - (d) an amount of the Covered Person's remuneration that is aligned with the Company's financial and business performance;
    - (e) attitudes that preclude undue risk-taking by the Covered Person in their capacity.
  10. When determining the remuneration of a Covered Person, objective criteria shall be taken into account, including:
    - (a) the scope of the responsibilities in the position in question and the skills and experience of the Covered Person;
    - (b) market standards for the remuneration structure of a particular position or group of positions.
  11. The Remuneration Policy shall address the terms and conditions of employment and remuneration of the Company's employees other than the Covered Person by ensuring that the terms and conditions of the Covered Person's remuneration are justified by the responsibilities involved in that person's position with the Company. In particular, the Remuneration Policy shall ensure that remuneration is determined with due regard to the increased risks associated with holding a position in the Company and the effects on the Company and the Covered Person that may result from the materialisation of such risks.
  12. To avoid conflicts of interest related to the Remuneration Policy, the powers related to the adoption, application, and review of the Remuneration Policy shall be distributed among the different bodies of the Company. The Covered Person shall notify the Company if a conflict of

their interests and those of the Company has arisen or is likely to arise. The Covered Person shall refrain from taking the floor in discussions and from voting on resolutions on matters related to the Remuneration Policy in relation to which such a conflict of interest has arisen or may arise. A conflict of interest arises when a particular decision of a Covered Person may, at least potentially, materially affect the situation of the Company and the Covered Person, where such impact is divergent, i.e. an improvement in the situation of the Company is associated with a deterioration in the situation of the Covered Person or vice versa. A conflict of interest arises in particular where:

- (a) A Covered Person may obtain a benefit or avoid a loss in respect of their remuneration as a result of a loss to the Company; or
- (b) the Covered Person's financial interest as expressed in the amount of remuneration or the terms and conditions under which the remuneration is granted is divergent from the interests of the Company.

The notice of conflict of interest shall be forwarded to: (i) the President of the Management Board – in the case of Supervisory Board Members; or (ii) the Chairman of the Supervisory Board – in the case of Management Board Members.

## **§ 2**

### ***Rules for the adoption and application of the Remuneration Policy***

1. The Remuneration Policy shall be adopted by the General Meeting at least once every four years.
2. Should the Remuneration Policy be amended, the new wording of the Remuneration Policy shall include a description of the material changes made to the Remuneration Policy and a description of how the contents of the resolution containing the opinion on the Report have been incorporated into the Policy.
3. Where the General Meeting has authorised the Supervisory Board to specify elements of the Remuneration Policy pursuant to the provisions of the Act, such elements shall be amended by the Supervisory Board, or otherwise the changes shall be reserved to the competence of the General Meeting.
4. The Management Board shall:
  - (a) be responsible for the implementation of the Remuneration Policy and related documents, including the Incentive Scheme for key staff members of the Company;
  - (b) provide the Supervisory Board with the information it needs to verify the Remuneration Policy and its application, in particular in respect of the data covered by the Report, in sufficient advance for the Report to be drawn up in line with the rules described in §9 of the Remuneration Policy.
5. The tasks of the Supervisory Board as part of the establishment and implementation of the Remuneration Policy shall include:
  - (a) submitting recommendations to the General Meeting on the effectiveness of the provisions of the Remuneration Policy and any amendments thereto;
  - (b) developing elements of the Remuneration Policy within the limits of the authorisation granted by the General Meeting.

### § 3

#### **Review of the Remuneration Policy**

The Remuneration Policy and its application shall be reviewed by the Supervisory Board, which shall comprehensively examine the Policy at least once a year and assess the functioning of the Remuneration Policy in terms of the achievement of its objectives and the implementation of its provisions. After reviewing the Remuneration Policy, the Supervisory Board shall make recommendations, if any, to the General Meeting as to the application or amendment of the Policy.

### § 4

#### **Remuneration of Management Board Member**

1. The remuneration of a Member of the Management Board shall comprise a fixed part, including base salary paid on a monthly basis ("**Fixed Remuneration**"). The amount of the Fixed Remuneration shall be determined individually for the Management Board Member by the Supervisory Board in the Legal Basis for Employment or by a separate resolution, subject to the provisions of the Remuneration Policy and the Management Board Member's duties.
2. Irrespective of the Fixed Remuneration, Management Board Members shall be entitled to a variable remuneration in the form and on the terms and conditions specified in this §4, the award and amount of which shall not be guaranteed ("**Variable Remuneration**"). The amount of the Variable Remuneration shall depend on the fulfilment of financial or non-financial criteria.
3. The Variable Remuneration shall be awarded to the Management Board Member in question on an individual basis.
4. The Variable Remuneration may consist of an entitlement to:
  - (a) take up subscription warrants incorporating the right to acquire shares in the Company or to acquire or take up Company's shares as part of a multi-year Incentive Scheme approved by a separate resolution of the General Meeting;
  - (b) participate in an incentive scheme providing for the payment of cash remuneration depending directly on the financial result of the Company or the segment for which the Management Board Member is responsible; or
  - (c) participate in an incentive scheme providing for the payment of cash remuneration using so-called phantom shares (the Variable Remuneration components indicated in this point (c) and points (a) and (b) above shall be jointly referred to as "**Entitlement**").
5. Irrespective of the Entitlement, Variable Remuneration may be awarded in the form of a bonus for task completion, financial performance or the achievement of a management objective ("**Bonus**").
6. When determining the amount and rules for granting remuneration to Management Board Members, the Supervisory Board shall rely on the following detailed elements of the Remuneration Policy:
  - (a) description of the components of Fixed Remuneration and Variable Remuneration, and non-cash benefits that may be awarded to Management Board Members ("**Description**");
  - (b) clear, comprehensive, and diversified financial and non-financial performance criteria for the award of Variable Remuneration ("**Criteria**");
  - (c) deferred payment periods of the Variable Remuneration;
  - (d) rules on the Company's claims for reimbursement of the Variable Remuneration; and
  - (e) rules relating to the award of Variable Remuneration to Management Board Members.

7. The Criteria shall include, in particular, the achievement of the Objectives.
8. When determining the criteria for payment of the Variable Remuneration, the Supervisory Board shall define clear, comprehensive, and diversified financial and non-financial performance criteria for the award of the Variable Remuneration components, including criteria relating to the incorporation of social interests, Company's contribution to the protection of the environment, and actions aimed at preventing and eliminating the negative social effects of the Company's operations, as well as the methods used to determine the extent to which the criteria referred to above have been met.
9. The criteria shall be set in a manner that balances the incentives for individual performance of Management Board Members with the implementation of the Objectives and Strategy, with particular focus on the interests of the Company.
10. The Description may provide that the benefits awarded to a Member of the Management Board as part of the Variable Remuneration shall be in cash or in kind.
11. The Description shall define the components of the Variable Remuneration in a manner that is balanced and aligned with the Company's financial condition.
12. Should meeting of predetermined Criteria be required for the award or implementation of the Variable Remuneration, the Supervisory Board, acting at the request of the President of the Management Board or any other authorised person, shall resolve, by means of a resolution, that the Management Board Member in question is entitled to the Variable Remuneration, and the amount of the Variable Remuneration. Variable remuneration, whose award or amount is subject to the discretion of the Supervisory Board (taking into account the requirements provided for in this Remuneration Policy), shall in each case be determined and settled on the basis of a resolution of the Supervisory Board.
13. Variable Remuneration, where so provided by the terms and conditions of the Variable Remuneration, may be granted for the performance of specific tasks during the period for assessing the Management Board Member's fulfilment of the Criteria ("Evaluation Period"). In such a case, the verification of the Criteria fulfilment and the determination of the Variable Remuneration for the relevant Evaluation Period shall take place no earlier than after the end of the Evaluation Period.
14. The verification of the fulfilment of Criteria of a financial nature shall be based in particular on data from the Financial Statements.
15. The verification of the fulfilment of Criteria of a non-financial nature shall involve obtaining data confirming that standards and objective measures of the performance of a specific task have been met, allowing an assessment of the effectiveness of the Management Board Member's efforts in meeting such Criteria.
16. The maximum ratio of the Variable Remuneration granted in a financial year to the Fixed Remuneration due for the same financial year shall not exceed 12:1, whereas this limitation does not apply to Variable Remuneration in the form of so-called phantom shares as referred to in §4(4)(a) and (c).
17. As part of the incentive scheme, the periods for which the entitlement to receive the Variable Remuneration in the form of financial instruments shall be determined, whereas:
  - (a) the incentive scheme or its rules and regulations shall clearly specify the detailed terms and conditions of such a scheme, including how the incentive scheme contributes to the achievement of the objectives of the business strategy, the long-term interests, and the stability of the Company;
  - (b) the incentive scheme shall be designed to contribute to the profitability of the Company's business, as well as to the implementation of the Strategy.

If required under applicable regulations, incentive schemes based on financial instruments shall be adopted by the General Meeting in the form of a separate resolution. Where such schemes are adopted, their rules and regulations shall specify the vesting periods for the instruments, the rules for their disposal, and how the award of remuneration in the form of financial instruments will contribute to the achievement of the objectives set out in the Remuneration Policy.

18. In particular circumstances relating to a Management Board Member and their commitment to the Company's matters or the Company itself, an additional one-off cash award may be granted to such a Member.
19. Members of the Management Board shall be entitled to reimbursement of reasonable expenses incurred by them in connection with the performance of their duties arising out of their position or their agreement with the Company.
20. Management Board Members may also be granted other non-monetary benefits under the rules applicable at the Company. The detailed scope and terms and conditions of non-monetary benefits to which Management Board Members are entitled shall be set out in detail in the agreement entered into with the Management Board Member, or in a resolution of the Supervisory Board.

## **§ 5**

### ***Remuneration of Supervisory Board Members***

1. Members of the Supervisory Board shall hold office by appointment and shall be entitled to remuneration on that basis.
2. Remuneration of the Supervisory Board Members on account of their appointment shall not be linked to the Company's performance.
3. Remuneration of a Supervisory Board Member shall not be granted in the form of financial instruments or other non-monetary benefits, subject to the exception for situations where entitlements to acquire financial instruments or other non-monetary benefits have been granted prior to the Member's appointment to the Supervisory Board and are exercised in the course of the Member's term of office.
4. The amount of remuneration of a Supervisory Board Member shall be determined by the General Meeting by means of a resolution, with the exception of the remuneration for a Supervisory Board Member delegated to temporarily perform the duties of a Management Board Member, which shall be determined by the Supervisory Board, by means of a resolution.
5. A resolution of the General Meeting may stipulate that a Member of the Supervisory Board shall be entitled to a monthly flat-rate remuneration in a specified amount, irrespective of the number of meetings of the Supervisory Board in which the Member has participated.
6. As an alternative to the provisions of paragraph 5 above, a resolution of the General Meeting may stipulate that a Member of the Supervisory Board shall be entitled to remuneration in a specified amount for each meeting of the Supervisory Board in which the Supervisory Board Member in question has participated.
7. Remuneration of Members of the Supervisory Board shall be commensurate with the scope of activities entrusted to them and the functions they perform, in particular taking into account their functions on committees or if delegated to perform supervisory functions in person.
8. In consideration of the function performed, in particular that of Chairman of the Supervisory Board or of a committee, having regard to the workload associated with the performance of

such a function, the remuneration of a Member of the Supervisory Board may be increased compared to the amounts referred to in paragraph 4 above.

9. The Company may provide a Supervisory Board Member with insurance cover in connection with their function on the Supervisory Board.
10. In the case of remuneration determined in line with the provisions of paragraph 5 above, where the appointment or dismissal occurs during the calendar month, the remuneration of the Supervisory Board Member shall be calculated in proportion to the number of days in office.

## **§ 6**

### ***Exceptional variable remuneration***

1. Members of the Management Board may be covered by an employee share ownership scheme under the terms and conditions of the Act of 4 October 2018 on Employee Share Ownership Schemes.
2. Apart from the possibility of being covered by an employee share ownership scheme as referred to in paragraph 1 above, the Company shall not grant individual benefits to Covered Persons under pension or early retirement schemes.
3. The Covered Persons may be entitled to benefits from the Company's social benefits fund under relevant legislation.

## **§ 7**

### ***Duration of the Legal Basis of Employment***

1. The Covered Person shall hold office by appointment. The rules for the appointment and dismissal of the Covered Person shall be laid down in the Articles of Association.
2. In the case of Management Board Members:
  - (a) Management Board Members shall be appointed by the Supervisory Board, subject to the relevant provisions of the Articles of Association, for a joint term of office of five years, unless the Articles of Association provide otherwise.
  - (b) The agreements with Management Board Members may be for a fixed or indefinite period. Management Board Members may be subject to a non-compete obligation, under which a Management Board Member shall be required to refrain from competing with the Company for a specified period of time. The agreements with Management Board Members may provide for the payment of damages for breaching the non-compete obligation.
  - (c) The agreements entered into with Management Board Members may be terminated by the Company or the Management Board member upon not more than twelve months' notice, although other notice periods may also be introduced. For employment contracts, the Company has the right to terminate the contract with immediate effect in the cases specified in the employment law or in the cases exhaustively listed in the agreement entered into with the Management Board Member in question, or cases arising from applicable legislation.
  - (d) The Legal Basis of Employment for Management Board Members shall be the legal relationship between the Company and the Management Board Member. Management Board Members may perform their duties as part of the following legal relationships:
    - (i) appointment to the Management Board for the term of office (appointment);

- (ii) establishment of an employment relationship of limited or indefinite duration, implemented on the basis of an employment contract (employment contract);
  - (iii) commissioning of the Company management services to be provided under a civil law agreement (management contract); or
  - (iv) in any other manner permitted under applicable legislation.
- 3. Supervisory Board Members shall be appointed by the General Meeting, subject to the relevant provisions of the Articles of Association, for a joint term of office of three years, unless the Articles of Association provide otherwise.
- 4. A Covered Person who is implementing their duties on the basis of an appointment to office shall be entitled to remuneration for the period commencing at the beginning of their period of office with the Company and ending upon the expiry of their mandate. The Covered Person shall not be entitled to remuneration for the period during which they remain suspended in office.

## **§ 8**

### ***Waiver of the Remuneration Policy***

- 1. If necessary in view of the long-term interests and stability of the Company or to ensure its profitability, the Company may temporarily waive the application of the Remuneration Policy in respect of specific Covered Persons ("**Waiver**").
- 2. The decision to apply the Waiver shall be taken by the Supervisory Board by means of a resolution. The Waiver may apply to the Remuneration Policy in its entirety or to a limited extent, as deemed appropriate by the Supervisory Board in pursuit of the objectives set out in paragraph 1 above.
- 3. The grounds for the application of the Waiver shall include, in particular, matters relating to the implementation of the Strategy and Objectives and such activities which, if not undertaken, could adversely affect the Company's ability to implement its matured monetary obligations.
- 4. The Waiver may be applied for by the Management Board, which shall then present the Supervisory Board with the reasons justifying the need for the Waiver.
- 5. The resolution on the Waiver shall specify in particular:
  - (a) Waiver period;
  - (b) elements of the Remuneration Policy to which the Waiver has been applied, whereas the Waiver may apply to the Remuneration Policy in its entirety or to a limited extent, as deemed appropriate by the Supervisory Board in pursuit of the objectives set out in paragraph 1 above;
  - (c) grounds for the Waiver.
- 6. Each instance of Waiver shall be disclosed in the Report together with the information referred to in paragraph 5 above.

## **§ 9**

### ***Report***

- 1. The Report shall cover the Company's financial year.
- 2. The Supervisory Board shall draw up the Report in sufficient advance to enable an item to be included on the agenda of the Ordinary General Meeting to express an opinion on the Report and to have the Report assessed by the auditor.

3. The Company shall make the Report available on the Company's website in line with the provisions of the Act.
4. The resolution of the General Meeting expressing an opinion on the Report shall be advisory in nature.

#### **§ 10**

##### ***Description of material changes to the Remuneration Policy***

1. This Remuneration Policy was adopted by Resolution No. [●] of the Company's Ordinary General Meeting of [●] 2023 and replaces the remuneration policy adopted by Resolution No. 27/2020 of the Company's Ordinary General Meeting of 15 June 2020, as amended on 22 June 2021 by Ordinary General Meeting Resolution No. 22/VI/2021.
2. The changes made in comparison to the previous remuneration policy include the following:
  - (a) the Remuneration Policy has been simplified in a manner that allows it to be flexibly adjusted to the Company's ongoing financial situation and market conditions – its certain provisions have been made more specific by the Supervisory Board;
  - (b) pursuant to Article 90d (7) of the Act, the Supervisory Board is authorised to specify, within the limits of the Remuneration Policy, the elements of the Remuneration Policy indicated in §11 (3), including in particular a description of the components of fixed remuneration and variable remuneration, bonuses, and other monetary and non-monetary benefits that may be awarded to Management Board Members, as well as financial and non-financial performance criteria for the award of variable remuneration to Management Board Members; and
  - (c) the maximum ratio of the Variable Remuneration granted in a financial year to the Fixed Remuneration due for the same financial year has been introduced.
3. This Remuneration Policy reflects the positive opinion of the Company's General Meeting on the Remuneration Report for 2022.

#### **§ 11**

##### ***Description of the decision-making process pursued to establish, implement, and review the Remuneration Policy***

1. The Remuneration Policy has been drawn up on instruction of the Management Board.
2. The Remuneration Policy has been drawn up on the basis of the following corporate documents:

Company Strategy for 2023–2027, Articles of Association, Supervisory Board Rules of Procedure, Appointment and Remuneration Committee Rules of Procedure, and Management Board Rules of Procedure.
3. The Supervisory Board shall be responsible for the implementation of the Remuneration Policy.
4. On an annual basis, the Appointment and Remuneration Committee of the Company shall:
  - (a) evaluate the work of individual Management Board Members,
  - (b) audit the Remuneration Policy,
  - (c) recommends amendments to the Remuneration Policy, if any.
5. The Supervisory Board of the Company shall draw up an annual report on remunerations, and the General Meeting shall issue an opinion on the report. The content of the resolution on the issuance of the opinion shall be taken into account when updating the Remuneration Policy.

The Remuneration Policy shall also be updated upon request of the Management Board or the Supervisory Board.

**§ 12**

***Final provisions***

1. The Remuneration Policy shall enter into force on the date of its adoption by the Company's General Meeting, unless the resolution adopting the Remuneration Policy provides for a different effective date.
2. Pursuant to Article 90e (5) of the Act, the Remuneration Policy shall be published on the Company's website.
3. The Supervisory Board shall be authorised, pursuant to Article 90d (7) of the Act, to specify, within the limits of the Remuneration Policy, the following elements of the Remuneration Policy:
  - (a) description of the components of fixed and variable remuneration, as well as bonuses and other monetary and non-monetary benefits that may be awarded to Management Board Members;
  - (b) clear, comprehensive, and diversified financial and non-financial performance criteria for the award of variable remuneration to Management Board Members, including criteria for incorporating social interests;
  - (c) Company's contribution to the protection of the environment, and actions aimed at preventing and eliminating the negative social effects of the Company's operations;
  - (d) deferral periods for variable remuneration awarded to Management Board Members; and
  - (e) the possibility for the Company to claim reimbursement of the variable remuneration awarded to Management Board Members.