

*The Resolution was adopted. 3 967 290 valid votes were cast, accounting for 75,49% of the initial capital and 100% of participants in the Annual General Meeting. 3 967 290 votes were for the Resolution, 0 votes were against it, with 0 abstentions.*

**Resolution No. 19/2020  
of the Ordinary General Meeting  
ULMA Construccjon Polska Spółka Akcyjna with its registered office in Koszajec  
of 6 May 2020**

**on the adoption by the Company of the "Remuneration policy for members of the Management and Supervisory Board of the Company under the name ULMA Construccjon Polska S.A.";**

Acting 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 ("Act on Offer"), the Ordinary General Meeting of the Company under the name ULMA Construccjon Polska S.A. with its registered office in Koszajec ("Company") resolves as follows:

§ 1

The "Remuneration policy for members of the Management Board and Supervisory Board of the Company under the name ULMA Construccjon Polska S.A." is adopted. ("Policy") - in the wording specified in Annex 1 to this Resolution.

§ 2

According to art. 90d p. 7 of the Act on Offer, the Supervisory Board of the Company is authorised to specify the rules related to the determination of the Permanent Salary, Variable Salary and Additional Benefits - in the meaning given to these terms in the Policy, however, in exercising this authorisation, the Supervisory Board of the Company cannot exceed the limit specified in p. 5.14 of the Policy.

§ 3

The Resolution of the General Meeting No. 28/2019 of 9 May 2019 on determining the remuneration of the members of the Supervisory Board is maintained in force.

§4

The resolution shall enter into force upon its adoption.

**REMUNERATION POLICY  
OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD OF ULMA CONSTRUCCION POLSKA SPÓŁKA  
AKCYJNA**

1. Objective and legal basis for the introduction:
  - 1.1. The policy was adopted by the General Meeting of Shareholders on the basis and in execution of art. 90d sec. 1 of the Act on Offer.
  - 1.2. The objective of the Policy is to define the principles of remuneration of the members of the Management and Supervisory Board and the principles of granting them other benefits in such a way that the benefits granted to these persons constitute a factor influencing the assurance of implementation of the assumed business strategy of the Company, its medium and long-term economic plans, while ensuring the safety and stability of the Company. In particular, when determining the type and principles of determining the benefits to which members of the Authorities are entitled, it was taken into account that the benefits due to members of the Management Board should be at least partially related to its results - which should translate into ensuring an increase in their efforts to meet the assumptions of the Company's business strategy and its business plans, while the benefits due to members of the Supervisory Board should not directly depend on its result, thus avoiding the possibility of increasing risk tolerance in their supervision.
  - 1.3. The main determinants of the Company's business strategy are:
    - 1.3.1. ensuring professionalism and high standard of services provided by the Company;
    - 1.3.2. development and increase of portfolio and quality of products and services provided by the Company;
    - 1.3.3. ensuring a stable increase in the Company's value.
  - 1.4. In assessing the long-term interests of the Company, the interests of all groups of its shareholders should be taken into account, taking into account the principle of proportionality of the involvement of risk and capital to the impact on the Company's operations, as well as the legitimate expectations of its various stakeholders.
  - 1.5. When establishing the Policy, the principles adopted by the Company when entering into employment contracts with employees of the Company other than members of the Authorities have been taken into account, and this is aimed at maximizing the effectiveness of their employment, as well as ensuring, as far as possible, that the Company will acquire specialists on the labour market with competences enabling the implementation of the Company's business strategy.

**2. Definitions and interpretation:**

- 2.1. Whenever in the Policy the following terms are written in capital letters, they should have the following meaning:

term	-	meaning
Capital group	-	Company and Subsidiaries
Labour code	-	Act of 26 June 1974 Labour Code (i.e. Journal of Laws 2019, item 1040)
Commercial Companies Code	-	Act of 15 September 2000 Commercial Companies Code (i.e. Journal of Laws 2019, item 505)
Entities	-	The Management Board and the Supervisory Board
Division	-	part of the Company's organisational structure managed by a member of the Management Board in accordance with the internal division of tasks and responsibilities between the members of the Management Board
Policy	-	this "Remuneration policy for members of the Management and Supervisory Board of <b>ULMA Construcccion Polska S.A.</b> ".
Supervisory Board	-	the Supervisory board of the company
Company	-	a company under the name <b>ULMA Construcccion Polska S.A. with its registered office in Koszajec, entered into the Register of Entrepreneurs of the National Court Register under the following KRS number: 0000055818, Tax Identification Number (NIP): 5270203299 and REGON number: 01120152000000</b>

Subsidiary	-	Entity remaining with the Company in relation of dependency as understood in art. 4 p. 15 of the Act on Offer
Additional Benefits	-	any other than Fixed Remuneration and Remuneration Variable benefits - including both pecuniary and non-monetary - to which members of the Authorities are entitled in connection with the performance of their functions
Act on Offer	-	Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies (i.e. Journal of Laws 2019, item 623)
Fixed remuneration	-	a cash benefit, to which a given member of the Body is entitled periodically, paid to him for his functions in the Capital Group
Variable remuneration	-	a cash benefit, to which a member of the Authority is entitled periodically or on an intermittent basis, related to the performance of the broadly defined tasks and objectives covered by the Company's strategy
General Meeting of Shareholders	-	General meeting of the Company
Management Board	-	Management Board of the Company

- 2.2. In addition to the definitions contained in Section 2.1., there may be further definitions in further provisions of the Policy, which should also be used to explain the terms used in the Policy.
- 2.3. The headings of particular editorial units of the Policy have been introduced solely to make it easier to read and do not affect the interpretation of the Policy.
- 2.4. References to circumstances or situations, further defined by expressions such as "including" or "in particular", or other similar, shall be construed as referring to any circumstances or situations specified after those expressions, as well as to other cases which are not specified after such a phrase.
- 2.5. Unless otherwise specified in a particular provision, references to words used in the singular include the plural and vice versa, and references to words used in one grammatical gender shall include other grammatical genders.

### **3. The legal relationship between the members of the Bodies and the Company:**

- 3.1. A member of the body may be connected with the Company by:
- 3.1.1. employment relationship within the meaning of the Labour Code;
- 3.1.2. civil law relationship - understood as a civil law contract (e.g. managerial contract, contract of mandate, contract for specific work or other civil law contract);
- 3.1.3. Corporate relationship - understood as a legal relationship resulting from the appointment of a given person to the body, without simultaneous establishment of a separate employment relationship or civil law relationship with that person.
- 3.2. The legal relationship between a member of the Body and the Company may be entered:
- 3.2.1. in the case of an employment relationship - for a fixed period of time, in accordance with the provisions of the Labour Code, or for an indefinite period;
- 3.2.2. in the case of a civil law relationship, for a fixed or indefinite period;
- 3.2.3. in the case of a corporate relationship - for the duration of the term of office, unless the appointment of a given person for a different period of time, or his/her performance of functions in the Body for a different period of time, results from the provisions of generally applicable law (including in particular regulations concerning the mandate and term of office of a member of the Body), or corporate documents of the Company.
- 3.3. Periods of notice of termination of the legal relationship between a member of the Body and the Company:
- 3.3.1. in the case of an employment relationship - may not be shorter than specified in the Labour Code, which, however, does not exclude the possibility of dismissing the employee from the obligation to provide employment during the notice period, pursuant to Article 36<sup>2</sup> of the Labour Code;
- 3.3.2. in case of a civil law relationship - should not be less than one (1) month.
- 3.4. Conditions for termination of the legal relationship between a member of the Body and the Company:
- 3.4.1. in the case of an employment relationship - may not be less favourable for the employee than those resulting from the Labour Code;

- 3.4.2. in the case of a civil-law relationship - should be determined with taking into account, on the one hand, the possibility of a rapid dissolution of the legal relationship in the case of committing itself by a member of the Body of the violation of its obligations to the Company, on the other hand - taking into account the need to ensure the stability of the Company's activities and efficiency in the transfer of functions and tasks between the person with whom the civil-law relationship is dissolved, and the person who takes over has its tasks;
- 3.4.3. in the case of a corporate relationship - take into account the principle that a member of the Body may be dismissed at any time, unless the Company's Articles of Association provide otherwise.

#### **4. Benefits granted to members of the bodies:**

- 4.1. In respect of their functions in the Authorities, their members are entitled to receive the following categories of benefits:
  - 4.1.1. members of the Management Board:
    - (a) Fixed remuneration;
    - (b) Variable remuneration;
    - (c) Additional Benefits;
    - (d) reimbursement of costs associated with the exercise of management.
  - 4.1.2. members of the Supervisory Board:
    - (a) Fixed remuneration;
    - (b) Additional Benefits;
    - (c) reimbursement of costs associated with the exercise of supervision.
- 4.2. The categories of benefits payable to individual members of the Organisations listed in point 4.1 are optional, which means that individual members of the Organisations may receive some or all of them. It is also possible that individual members of the Organisations may resign - temporarily or permanently - from part or all of the benefits due to them by the Company for being members of its Organisations, in which case the performance of the function by a given person in the Body shall be on an *ad honours basis*.
- 4.3. Unless otherwise stipulated by generally applicable law, a member of the Management Board who has been suspended from performing his/her functions within the Management Board is not entitled to receive the Fixed Remuneration granted to him/her during the suspension period.
- 4.4. In the case of delegating a given member of the Supervisory Board to perform functions in the Management Board, pursuant to art. 383 § 1 of the CCC, for the duration of a given person's term of office in the Management Board, the rules set forth in the Policy concerning a member of the Management Board shall apply.
- 4.5. Members of the Supervisory Board delegated to permanent individual supervision pursuant to Article 390 § 3 of the CCC receive separate remuneration, the amount of which is determined by the General Meeting of Shareholders. The General Meeting of Shareholders may entrust this power to the Supervisory Board.

#### **5. General rules for shaping the elements of benefits granted to members of the Bodies:**

- 5.1. The benefits payable to members of the Bodies in respect of their functions shall be determined by them:
  - 5.1.1. with respect to the members of the Management Board, the Supervisory Board;
  - 5.1.2. in relation to the members of the Supervisory Board - the General Meeting of Shareholders.
- 5.2. Contracts with members of the Management Board shall be concluded and amended on behalf of the Company by the Chairman of the Supervisory Board or another representative of the Supervisory Board, on the basis of an authorisation granted by the Supervisory Board in the form of a resolution. The same procedure shall apply to all actions related to the employment or civil law relationship of a member of the Management Board.
- 5.3. In particular, the following principles shall be taken into account when determining the amount of the elements of benefits to be granted to members of the Bodies:
  - 5.3.1. in the case of the Fixed Remuneration - the scope of duties of a given member of the Body, his/her competences and responsibility, influence on the Company's operations and the implementation of its business strategy and interests, including in particular the fact of managing a specific Division. Fixed remuneration does not depend on the results achieved by the Company;

- 5.3.2. in the case of the Variable Remuneration - execution, respectively, of short-, medium- or long-term tasks resulting from the Company's business strategy and related to the execution of its interests. The purpose of granting Variable Remuneration or an element thereof may be, in particular, to reward the achievement of tasks of a quantitative or qualitative nature;
- 5.3.3. in the case of Additional Benefits, the impact of a given benefit on the ability and effectiveness of a member of the Body to perform his/her functions, including by providing factors other than cash remuneration which mobilise and motivate the member to perform his/her function. Additional benefits may include, in particular, the possibility of using the components to which the Company is entitled (including work tools such as a company car, computer or mobile phone), covering travel costs, providing health, sports, artistic or educational services, or covering premiums under the insurance contract.
- 5.4. Unless the provisions of generally applicable law or other provisions of the Policy provide otherwise, the Fixed Remuneration shall not be reduced or suspended, except for situations described in point 6.
- 5.5. In order to obtain reimbursement of costs related to the exercise of management or supervision, respectively, a given member of the Body is obliged to present evidence (in particular: documents which may constitute accounting evidence of the expense in question under the provisions of generally applicable law) demonstrating the fact of incurring a given expense.
- 5.6. If a given member of the Body also performs a function in the Subsidiary, he or she shall be entitled to receive from the Subsidiary benefits separate from those he or she receives in connection with performing the function in the Body.
- 5.7. In the case of a member of the Supervisory Board, the Fixed Remuneration may not be paid periodically but in an amount depending on the number of meetings of the Supervisory Board in which that member participated.
- 5.8. When setting the rules concerning variable remuneration, account should also be taken of the company's policies and regulations concerning social interests, including the principles of *Corporate Social Responsibility*, the need to protect the environment and to prevent and eliminate negative social effects of the company's operations. In particular, the achievement of objectives resulting from such policies and regulations should be the basis for granting certain elements of the Variable Remuneration to members of the Management Board, or for granting them an increased amount.
- 5.9. The variable remuneration may be one-off or take the form of a timely incentive scheme.
- 5.10. When:
  - 5.10.1. The scope of duties of a given member of the Management Board includes responsibility for the sales process, Variable Remuneration may depend in particular on reaching certain percentage thresholds assumed for a given sales settlement period, or generating a certain level of profit on operating activity;
  - 5.10.2. Variable remuneration depends on achieving certain parameters or ratios, these parameters or ratios may be assessed with reference to the Capital Group, the Company or a Division, respectively (when a given member of the Management Board is responsible for the operations of that Division).
- 5.11. Different weightings may be granted to particular conditions, which will depend on the acquisition by a given member of the Management Board of the right to obtain Variable Remuneration.
- 5.12. The rules concerning the payment of the variable remuneration elements may provide for periods of deferment of payment, as well as make the payment, or the amount of the variable remuneration due to a given member of the Management Board, dependent on his/her employment relationship, civil law relationship or corporate relationship with the Company or an entity from its Capital Group.
- 5.13. In particular, the implementation of the business strategy, long-term interests and stability of the Company are to be fostered by ensuring that the Company's business strategy, long-term interests and stability are ensured in the process of granting the Variable Remuneration:
  - 5.13.1. taking into account both quantitative and qualitative criteria;
  - 5.13.2. the possibility of linking the payment of a given benefit to the fact that a member of the Management Board remains in a legal relationship with the Company or an entity from its Capital Group;
  - 5.13.3. possibility of granting variable remuneration elements as periodical and non-periodical benefits;

- 5.13.4. introduction of the possibility of assigning weights for particular conditions determining the amount of the variable remuneration;
  - 5.13.5. to determine the proportion between the Fixed Remuneration and the Variable Remuneration and Additional Benefits, ensuring full synergy and balance between the individual components, in order to achieve sustainable development of the Company and increase its value.
- 5.14. The amount of the Variable Remuneration due to a member of the Body in a given financial year cannot exceed 50% of the sum of the Fixed Remuneration and Additional Benefits due to him in that financial year. The ratio referred to in the preceding sentence is determined by comparing the sum of all components of the Variable Remuneration due to a member of the Body in a given financial year with the sum of all components of the Fixed Remuneration and Additional Benefits paid/received by a member of the Body in a given financial year, however, some benefits may be omitted if their material value is insignificant (in particular, this concerns Additional Benefits).

## **6. Temporary withdrawal from the Policy:**

- 6.1. If it is necessary to pursue the Company's long-term interests and financial stability or to guarantee its profitability, the Supervisory Board may decide to temporarily withdraw from the Policy. In particular, a temporary withdrawal from the Policy may result from necessity to:
- 6.1.1. prevent or counteract adverse market developments that affect or may affect the Company;
  - 6.1.2. flexible response to the current conditions of the labour market, which could cause an outflow from the Company, or the Company's inability to acquire persons whose participation in the Bodies would be beneficial to the realization of long-term interests and financial stability of the Company, or to guarantee its profitability.
- 6.2. The decision in the matter mentioned in p.6.1. is made by the Supervisory Board on its own initiative or at the request of the Board, but the Board's request should contain at least an indication of the reason, why such a temporary withdrawal from the Policy should take place, and a proposal of the period, for which such a withdrawal should last.
- 6.3. If the application for making a decision in the matter mentioned in p. 6.1. does not come from the Board, the Supervisory Board should read the position of the Board before making such a decision.
- 6.4. The resolution in the case referred to in item 6.1. should indicate the period for which the Policy is to be abandoned ("**Withdrawal Period**"), but in the event that:
- 6.4.1. before the expiry of the Withdrawal Period, the reason for temporary withdrawal from the Policy ceased to exist - the Supervisory Board should adopt a resolution on reinstating the Policy;
  - 6.4.2. until the expiry of the Withdrawal Period the reason for temporary withdrawal from the Policy has not ceased to exist - the Supervisory Board may adopt a resolution on extending the duration of the Withdrawal Period.

## **7. Supervision over the observance and implementation of the Policy:**

- 7.1. Taking into account the fact that compliance with the Policy is an element of the Company's activity, the Supervisory Board supervises its observance.
- 7.2. If the Supervisory Board notices a violation of the Policy by the Supervisory Board, the Management Board notifies the Supervisory Board of such a violation and, moreover, is entitled to place the issue on the agenda of the next General Meeting of Shareholders.
- 7.3. In the case of identification of the fact of violation or a possibility of violation of the Policy by the Body or its member, the Supervisory Board is obliged to start a proceeding aiming at removing the violation or removing the possibility of its occurrence, respectively, including in particular through application of p. 9.5.

## **8. Conflict of interest:**

- 8.1. The establishment and implementation of the Policy serves to address the possibility of conflicts of interest:
- 8.1.1. to allocate the powers to determine the rules for granting the benefits due to members of the Bodies by virtue of their functions;
  - 8.1.2. granting the right to notify perceived infringements of the Policy also to the Management Board;

- 8.1.3. Introducing an obligation to notify the possibility of conflicts of interest for each member of the Body individually.
  - 8.2. If any member of the Body identifies a real possibility of a conflict of interest in the area covered by the Policy, such member shall be obliged to notify the Body:
    - 8.2.1. if a member of the Management Board is obliged to notify - Chairman of the Supervisory Board;
    - 8.2.2. in case a member of the Supervisory Board is obliged to notify - President of the Management Board.
- 9. The decision-making process carried out for the establishment, implementation and review of the Policy:**
  - 9.1. The draft Policy shall be prepared by the Management Board and submitted to the Supervisory Board for its opinion and to make any comments or modifications.
  - 9.2. The Supervisory Board, after introducing possible modifications, submits a draft Policy to the General Meeting of Shareholders.
  - 9.3. General Meeting of Shareholders adopts the final version of the Policy, which may be amended or supplemented.
  - 9.4. Subject to clause 9.5. and unless otherwise provided for in generally applicable law, the Policy will be reviewed at least every three (3) years. The Policy will be reviewed in accordance with the procedure set out in sections 9.1.-9.3.
  - 9.5. General Meeting of Shareholders and the Supervisory Board may report to the Management Board the need to review the Policy before the end of the period specified in 9.4. Upon receipt of the notification referred to in the preceding sentence, the procedure set out in points 9.1.-9.3 shall apply.
- 10. Authorization for the Supervisory Board:**
  - 10.1. Pursuant to Art. 90d sec. 7 of the Act on Offerings, the General Meeting of Shareholders authorizes the Supervisory Board to specify the rules concerning the determination of the Fixed Remuneration, the Variable Remuneration and the Additional Benefits, in particular the financial and non-financial results concerning the granting of the Variable Remuneration, including the criteria concerning the consideration of social interests, the Company's contribution to environmental protection and taking actions aimed at preventing and liquidating negative social effects of the Company's activity.
  - 10.2. When exercising the right mentioned in p. 10.1, the Supervisory Board cannot exceed the limit indicated in p. 5.14.
- 11. Entry into force; intertemporal rules:**
  - 11.1. The policy shall enter into force with effect from 1 January 2021.
  - 11.2. As at the date of adoption of the Policy, the Company does not have any additional, i.e. other than those under generally applicable law, pension schemes, early retirement schemes or remuneration schemes under which members of the Bodies are remunerated in financial instruments.
  - 11.3. The Policy shall not apply to benefits to which a member of the Body has acquired a right before its entry into force.