

# **Remuneration policy for Members of the Management Board and Supervisory Board of Wirtualna Polska Holding Spółka Akcyjna with its registered office in Warsaw**

## § 1

### POLICY OBJECTIVES

1. This document aims to define and describe the basis, principles and procedures for determining and calculating the remuneration of Members of the Management Board and Supervisory Board.
2. The solutions adopted in this Remuneration Policy result from the general business strategy of the Company and have a direct impact on the implementation of the Company's long-term strategic goals, i.e. in particular those aimed at achieving the position of the main information and entertainment medium in Poland and the leader of the e-commerce market, its long-term interests and Company's stability.
3. The remuneration principles set out in this Remuneration Policy, in particular with regard to the variable elements of the remuneration, are aimed at creating incentives motivating Members of the Company's Management Board to effectively manage the Company and take actions and efforts aimed at further development of the Company and realizing the interests of shareholders taking into account the rights of stakeholders (employees, contractors, etc.).
4. This Remuneration Policy shall enter into force from the second half of 2020.

## § 2

### DEFINITIONS

1. **the Company** – means a company under the name Wirtualna Polska Holding Spółka Akcyjna ul. Żwirki i Wigury 16, 02 -092 Warsaw, entered into the Register of Entrepreneurs of the National Court Register, kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number: 0000407130, REGON: 016366823, NIP: 5213111513, share capital in the amount of PLN 1,454,218.50, fully paid-up
2. **the Capital Group** - means the Company and any enterprise, company or any other entity which is controlled by the Company, including as a subsidiary within the meaning of art. 4 p 1 point 4 of the Code of Commercial Companies or a related company of the Company within the meaning of art. 4 p 1 point 5 of the Commercial Companies Code;
3. **the Remuneration Policy** - means this document adopted for the purpose of implementing the provisions of Chapter 4a of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and public companies;
4. **the Management Board** – means the Management Board of the Company;
5. **the Supervisory Board** – means the Supervisory Board of the Company;
6. **the General Meeting** – means the General Meeting of the Company;

7. **Bonus** - means the variable remuneration due to Members of the Management Board on the principles described in this Remuneration Policy;
8. **Base Amount** - means the amount indicated in the resolution of the Supervisory Board as the basis for calculating the Bonus for a given Member of the Management Board;
9. **Bonus Goals** - means individual financial and non-financial goals on which the right to the Bonus depends set for a given Member of the Management Board in a resolution of the Supervisory Board.

### § 3

## LEGAL BASIS AND CONDITIONS OF EMPLOYMENT OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

### A. the Management Board

1. The legal basis for the remuneration of each Member of the Management Board is the legal relationship between the Company and a Member of the Management Board resulting from:
  - a. employment contract concluded for a definite or indefinite period;
  - b. company management contract (managerial contract) concluded for the time of performing the function of a Member of the Management Board;
  - c. appointment as Member of the Management Board for the term of office by way of a resolution of the General Meeting or a resolution of the Supervisory Board.
2. The length of the term of office of the Members of the Management Board and the rules for its expiry have been set out in the Company's Articles of Association and the Commercial Companies Code.
3. The basis for the legal relationship between a Member of the Management Board and the Company as well as the principles of his remuneration are determined by way of a resolution of the Supervisory Board adopted after negotiations between the Member of the Management Board and the Company represented by the Supervisory Board.
4. The level of remuneration of Management Board Members is determined by taking into account the type of duties performed, the complexity of tasks performed and the area of responsibility, as well as by analyzing market remuneration in the media and technology sector.
5. The amount of remuneration due to a Member of the Management Board for performing functions in the Company's Management Board is determined by taking into account the fact that the Member of the Management Board performs functions in the supervisory bodies of companies from the Capital Group and the remuneration received in connection therewith.
6. The rules for remunerating and granting additional benefits to Members of the Company's Management Board, including in particular variable remuneration and managerial option

program, are analogous to the remuneration principles in force in the Company for other managerial staff and expert positions.

## **B. the Supervisory Board**

1. The legal basis for remuneration of Supervisory Board Members is solely the corporate relationship established on the basis of a resolution of the General Meeting appointing a given Member of the Supervisory Board to perform functions in the Company's Supervisory Board.
2. The length of the term of office of members of the Supervisory Board and the rules for its expiry are set out in the Company's Statute and in the Code of Commercial Companies.

### **§4**

## **COMPONENTS OF REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS**

### **A. the Management Board**

#### **1) Elements of remuneration for members of the Management Board**

1. The remuneration system for Members of the Management Board, regardless of the legal relationship between the Company and the Member of the Management Board, consists of the following components of remuneration:
  - a. fixed (basic) remuneration;
  - b. variable remuneration (bonuses, rewards);
  - c. non-financial remuneration (additional benefits);
  - d. benefits related to the termination or expiration of the legal relationship between a Member of the Management Board and the Company.

#### **2) Fixed remuneration**

1. Members of the Management Board receive a fixed remuneration, paid out monthly in the amount specified in the resolution of the Supervisory Board, employment contract or managerial contract.
2. The amount of fixed remuneration is determined in the gross amount.
3. The fixed remuneration is verified by the Supervisory Board, not more often than once a year. Any change in the fixed remuneration is made taking into account market factors, based on payroll data and after individual assessment of a Member of the Management Board.

### 3) Variable remuneration

1. Members of the Management Board may be entitled to receive variable remuneration in the form of a bonus for achieving bonus goals ("Bonus").
2. Members of the Management Board shall be entitled to the Bonus only for the period of performing the function of a Member of the Management Board.
3. Detailed rules for determining, calculating and paying out variable remuneration are laid down in the resolution, employment contract or managerial contract.
4. The settlement of the Bonus takes place on the basis of annual or semi-annual bonus goals ("Bonus Goals") and the weight of those goals, after the end of a given accounting period.
5. Bonus goals and goal weights are determined by the Supervisory Board in the form of a resolution in relation to the settlement period to which they refer.
6. The Bonus Goals set by the Supervisory Board should contain clear, comprehensive and diversified financial and non-financial criteria and take into account the social interest, the Company's contribution to environmental protection and the Company's activities aimed at preventing and eliminating the negative social effects of the Company's operations.
7. The resolution of the Supervisory Board on setting Bonus Goals for a Member of the Management Board should include an explanation of how the Bonus Goals contribute to the implementation of the business strategy, long-term interests and stability of the Company.
8. The basis for calculating the Bonus is the base amount determined together with the Bonus Goals by the Supervisory Board for a given accounting period, taking into account the adopted budget of the Company and the proportion to the fixed remuneration of a given Management Board Member. The Supervisory Board may reduce or increase the amount of the Base Amount during or after a given accounting period, in particular if it is justified by the Company's EBITDA result.
9. The payment of a Bonus for a member of the Company's Management Board may be dependent on the Capital Group's financial results (including EBITDA) specified in a resolution of the Supervisory Board for a given accounting period.
10. The payment of the Bonus depends on the assessment of the level of achievement of Bonus Goals made by the Supervisory Board after the end of a given accounting period.
11. The Supervisory Board may also grant a member of the Management Board a discretionary reward over the amount of the Bonus, regardless of the achievement of the Bonus Goals.

### 4) The additional benefits

1. Members of the Management Board are entitled to reimbursement of justified official expenses incurred in connection with the performance of their duties as Members of the Management Board in accordance with the Company's standard practices and policies.
2. Members of the Management Board have the right to use the Company's property to perform official duties.
3. Members of the Management Board may also use:

- a. non-wage benefits on the terms applicable to employees and associates of the Company;
- b. civil liability insurance (D&O Insurance) on terms and conditions similar to those for other managers of the Capital Group.

**5) Benefits related to the termination or expiration of the legal relationship between a Member of the Management Board and the Company**

1. In the event of dismissal of a Member of the Management Board from the Company's Management Board or resignation of a Member of the Management Board from performing functions on the Company's initiative, Members of the Management Board may be entitled to severance pay in the amount and on the principles set out in the resolution of the Supervisory Board, employment contract or managerial contract.
2. For discharging their commitment to refrain from conducting business competitive to the Company's, after ceasing to perform their function, Members of the Management Board may be entitled to compensation for the period and under the conditions specified in the resolution of the Supervisory Board, employment contract or managerial contract.

**B. the Supervisory Board**

1. Members of the Supervisory Board for performing functions in the supervisory body may be granted only remuneration in a fixed form for participation in a meeting of the Supervisory Board convened by the Chairman of the Supervisory Board in accordance with the Regulations of the Supervisory Board of Wirtualna Polska Holding S.A. The amount of the fixed remuneration referred to above is determined by a resolution of the General Meeting.
2. Selected Members of the Supervisory Board, performing the functions of (i) Chairman or Vice-Chairman of the Supervisory Board, (ii) chairmen of committees appointed within the Supervisory Board, may be granted, by resolution of the General Meeting, additional remuneration in the amount, on terms and conditions specified in such a resolution, with the proviso that this remuneration cannot be variable depending on the results, including the financial results of the Company.
3. Members of the Supervisory Board delegated to permanent individual performance of supervision may be granted a separate remuneration, on the terms and conditions specified in a resolution of the General Meeting.
4. Members of the Supervisory Board are not entitled to any benefits due to their dismissal or resignation from the function of a member of the Supervisory Board.
5. Members of the Supervisory Board are not subject to a prohibition of competitive activity after termination of their function in the Supervisory Board.

## § 5

### **CONDITIONS FOR GRANTING REMUNERATION IN THE FORM OF FINANCIAL INSTRUMENTS TO MANAGEMENT BOARD MEMBERS AND SUPERVISORY BOARD MEMBERS**

1. The Company runs incentive programs under which selected Members of the Management Board and Supervisory Board may be granted the right to take up the Company's shares in exchange for subscription warrants issued as part of the conditional increase in the Company's share capital.
2. The conditions for purchasing shares, including their price, are set out in resolutions and regulations of incentive programs adopted by the General Meeting or the Supervisory Board.
3. Members of the Company's Management Board or Supervisory Board who are shareholders of the Company holding more than 5% of votes in the Company, do not participate in the Company's incentive programs.
4. Persons participating in the incentive program shall successively acquire the rights to shares, in accordance with the schedules set out in the agreements concluded between the Company and the entitled persons, subject to cases of loss of rights to shares specified in the relevant regulations of incentive programs and agreements referred to above.
5. In the regulations of incentive programs and agreements concluded between the Company and entitled persons, additional conditions may be reserved for the entitled person to acquire rights to shares or to exercise the rights from subscription warrants.
6. Subscription warrants granted to entitled persons are not transferable.
7. Shares acquired by entitled persons by exercising rights from subscription warrants are not subject to any restrictions on the disposal and encumbrance.
8. The Company runs incentive programs under which selected members of the Management Board and Supervisory Board may be granted additional remuneration, the amount of which is calculated based on the Company's share price.

## § 6

### **AVOIDING CONFLICTS OF INTEREST RELATED TO REMUNERATION POLICY**

1. In order to avoid conflicts of interest related to the remuneration policy, the rules for determining the remuneration of members of the Management Board and the Supervisory Board have been shaped in such a way that the decision as to the amount of remuneration due to a given member is made by a different company body than the one in which the person concerned this Remuneration Policy performs the function.

2. If the remuneration of a Member of the Management Board is variable and depends on the achievement of previously set financial and non-financial goals, the Supervisory Board is responsible for setting these goals and assessing their implementation.
3. The Supervisory Board, while setting goals which depend on granting of variable remuneration to Members of the Management Board, primarily takes into account the business strategy and long-term interest and stability of the Company. In no case may the goals set for individual Management Board members be contrary to the short and long-term interests of the Company.
4. In the event that a likelihood of a conflict of interest is identified in matters governed by the Remuneration Policy, the Supervisory Board shall immediately initiate a procedure to update the Remuneration Policy, in accordance with further provisions, in order to eliminate or prevent the occurrence of the identified conflict of interest.

## § 6

### **TEMPORARY WITHDRAWAL FROM THE APPLICATION OF THE REMUNERATION POLICY**

1. The Supervisory Board is entitled to temporarily refrain from applying in whole or in part the provisions of the Remuneration Policy.
2. The Supervisory Board may withdraw, as referred to in para. 1 above, only if it is necessary to realize long-term interests and financial stability of the Company or guarantee its profitability resulting in particular from the lack of implementation of budget assumptions in a significant part, as well as taking into account the purposefulness and proportionality of the withdrawal made.

## § 7

### **DECISION-MAKING PROCESS TAKEN TO ESTABLISH, IMPLEMENT AND REVIEW THE REMUNERATION POLICY**

1. The Management Board analyzes the remuneration system in force in the Company, in particular relating to the remuneration system of Members of the Management Board and the Supervisory Board, and then, as a result of the analysis, develops the draft Remuneration Policy, taking into account, in particular, that the principles of remuneration of Members of the Management Board and Supervisory Board adopted in the Remuneration Policy contributed to the implementation of the business strategy, long-term interests and stability of the Company.
2. The Management Board presents the draft Remuneration Policy to the Supervisory Board for an opinion.



3. The Company's Supervisory Board adopts a resolution giving opinions on the Remuneration Policy presented by the Management Board, together with a recommendation for the General Meeting as to its adoption.
4. The General Meeting adopts the Remuneration Policy on the basis of a draft submitted by the Management Board, taking into account the recommendation presented by the Supervisory Board.
5. The Management Board, immediately after the entry into force of the resolution adopting the Remuneration Policy, undertakes actions aimed at implementing the remuneration principles for Members of the Management Board and the Supervisory Board described in the Remuneration Policy.
6. The Management Board shall, at least once a year, review the functioning of the Remuneration Policy in terms of fulfilling the goals of the Remuneration Policy, taking into account market conditions in terms of work and pay.
7. The Supervisory Board may, together with the annual remuneration report, submit to the General Meeting a recommendation regarding the update of the Remuneration Policy, taking into account the results of the review carried out by the Management Board referred to in item 6 above.
8. The General Meeting, taking into account the recommendation made by the Company's Supervisory Board, adopts a resolution on a possible change to the Remuneration Policy.
9. The Remuneration Policy should be updated at least once every 4 years.