
**REMUNERATION POLICY
FOR MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF**

**CAPITAL PARK SA
WITH ITS REGISTERED OFFICE IN WARSAW**

**ADOPTED BY EXTRAORDINARY GENERAL MEETING OF CAPITAL PARK S.A. ON
AUGUST 28TH 2020**

This remuneration policy ("**Remuneration Policy**") for Members of the Management Board and Supervisory Board of CAPITAL PARK S.A. with its registered office in Warsaw ("**Company**") has been submitted to the Extraordinary General Meeting of the Company ("**GM**") pursuant to Article 90d Section 1 of the Act on Public Offering and Terms of Introducing Financial Instruments to Organised Trading and on Public Companies (hereinafter referred to as the "**Public Offering Act**").

Pursuant to Article 378 of the Commercial Companies' Code ("**CCC**") and Section 21.2 of the Company's Articles of Association, setting the remuneration for the Members of the Company's Management Board is the responsibility of the Supervisory Board. However, pursuant to Article 392 of the CCC, the General Shareholders' Meeting is responsible for determining the remuneration for Members of the Company's Supervisory Board.

I. OBJECTIVES OF THE REMUNERATION POLICY

1. The Remuneration Policy sets out the principles of remuneration of the Members of the Management Board and Supervisory Board.
2. The purpose of the Remuneration Policy is in particular to:
 - (a) implement the Company's business strategy, its short- and long-term objectives and ensure the Company's stability;
 - (b) attract, incentivise and retain highly qualified managers and supervisors by offering competitive remuneration packages that focus on the long-term development of the Company and its subsidiaries ("**Group**") and aim to ensure their full commitment and lasting relationship with the Company;
 - (c) ensure a consistent and motivating level of remuneration for Members of the Management Board, according to their level of experience, qualifications and responsibilities;
 - (d) prevent conflicts of interest.

3. When determining the remuneration of the Members of the Management Board and Supervisory Board certain objective criteria are considered, including:
 - (a) job description, experience and qualification requirements;
 - (b) market level of remuneration for a specific position in the development industry.
4. The Remuneration Policy has been developed in consideration of the work and pay conditions of the Company's employees other than Members of the Management Board and Supervisory Board. In particular, these conditions were reviewed to ensure that the level of remuneration of the Members of the Management Board and Supervisory Board corresponds to their level of responsibility, qualifications and contribution to the implementation of the Company's and Group's business strategy, and that it is based on the financial situation of the Company and the Group.

II. PRINCIPLES OF REMUNERATION FOR MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY

1. The legal grounds for remunerating the Members of the Company's Management Board is the legal relationship between the Company and a Member of the Management Board.
2. Members of the Management Board currently perform their duties under employment contracts. Members of the Management Board may also perform their duties under an appointment or civil law contracts.
3. Members of the Management Board may additionally engage in activities other than those related to their management duties in the Company or Group companies, under employment contracts or civil law contracts concluded by them individually, or as part of their business activity, provided that the scope of these contracts will not overlap or interfere with the tasks performed in their capacity of the Members of the Company's Management Board. The contracts under which a Member of the Management Board provides services other than those related to his/her management duties in the Company or other Group companies, are concluded t arm's length.
4. Remuneration of the Members of the Management Board is made up of the following components:
 - (a) a fixed monthly salary;
 - (b) variable components of remuneration;
 - (c) additional benefits; and
 - (d) severance pay and compensation.
5. The remuneration is set following negotiations between the Supervisory Board and a Member of the Management Board, and the circumstances considered in determining the remuneration include:

- (a) the responsibilities of the Member of the Management Board,
 - (b) competence, experience and qualifications of the Member of the Management Board,
 - (c) long-term evaluation of performance of the Member of the Management Board,
 - (d) available market data (such as information on remuneration of board members of other listed companies or market benchmarks).
6. The remuneration of a Member of the Management Board due to his/her employment, provision of services or performance of functions includes the remuneration under all legal titles obtained in the Company and the Group.
7. Contracts with Members of the Management Board may be concluded for a definite or indefinite term, however the currently binding contracts concluded between the Company and the Members of the Management Board have been concluded for an indefinite term.
8. The contracts concluded with Members of the Management Board may be terminated by the Company or a Member of the Management Board with a notice period of up to six months. In cases defined by labour law regulations (with respect to employment contracts) or civil law regulations (with respect to civil law contracts), or in cases enumerated in the contracts concluded with Members of the Management Board, the Company has the right to terminate the contract with immediate effect.

III. FIXED MONTHLY SALARY

1. In consideration for the employment, functions in the Management Board and provision of services to the Group companies, the Members of the Management Board are entitled to a fixed monthly salary.
2. The monthly salary of the Members of the Management Board is subject to annual indexation in line with the increase of the annual consumer price index announced by the President of Statistics Poland. The first indexation was conducted as of 1 January 2020.

IV. VARIABLE COMPONENTS OF REMUNERATION

1. For the employment or provision of services to Group companies, the Members of the Management Board may be entitled to variable components of remuneration in the form of bonuses ("**Variable Components of Remuneration**").
2. The amount of the Variable Components of Remuneration due to a Member of the Management Board depends on his/her performance measured against objectives set by the Supervisory Board and verified by the Supervisory Board. These objectives may include in particular:
- (a) the sale of the Company's assets, with the value and importance of the assets being considered in determining the bonus, or

- (b) obtaining or mobilising financing, with the value and importance of that financing being considered in determining the bonus.
- 3. The indicators or objectives should have clearly defined criteria.
- 4. Variable Components of Remuneration are paid in cash, as one-off payments, and are not deferred.
- 5. The Company does not apply any restrictions as to the proportion between the fixed monthly salary and Variable Components of Remuneration.
- 6. Variable Components of Remuneration are paid out within 30 days of the end of the quarter in which relevant indicator or objective was achieved, upon approval by the Supervisory Board, whose decision may not be unreasonably withheld.
- 7. The Remuneration Policy is not a bonus regulation. The provisions of the Remuneration Policy cannot be the sole grounds for claims by the Members of the Management Board regarding the payment of Variable Components of Remuneration. Detailed rules of granting Variable Components of Remuneration, including the objectives for the Members of the Management Board, are determined by the Supervisory Board taking into consideration the rules set out in this Remuneration Policy.

V. ADDITIONAL BENEFITS

- 1. The Company provides D&O insurance covering the liability of the Members of the Management Board and Supervisory Board of the Company and Group companies, with the sum insured corresponding to the business of the Company and the Group.
- 2. The Company reimburses the Members the Management Board for the necessary expenses incurred when performing their duties.
- 3. The Company supports the Members of the Management Board during administrative or court proceedings between Members of the Management Board and third parties or public bodies, or against Members of the Management Board in connection with the performance of their duties for the Company and the Group, except where the Company has the status of wronged party in such proceedings. In particular, the Company will cover reasonable expenses associated with such proceedings to the extent such expenses are not covered by the D&O insurance policy. Such expenses include: lawyers' fees, fees and charges, fines and other expenses. Such expenses will not be covered in cases of a gross breach of duties by the Member of the Management Board.
- 4. Upon consent of the Supervisory Board, the Company may cover the costs of benefits for the Members of Management Board under health insurance contracts.
- 5. The Company covers the costs of business trips of the Members of the Management Board, including accommodation, travel (flights), per diems, etc., as per statutory regulations or regulations adopted by the Supervisory Board.

VI. SEVERANCE PAY

1. Members of the Management Board are entitled to severance pay in case of termination of their employment contracts by the Company and discontinuation of cooperation with the Group companies; the severance pay is equivalent to six months' fixed remuneration received under all legal titles in the Group.
2. The severance pay is not due to a Member of the Management Board Member if his/her employment contract is terminated by that Member of the Management Board or by the Company but due to the fault of the Member of the Management Board, for reasons specified in detail in the employment contract.

VII. COMPENSATION FOR NON-COMPETITION CLAUSE

1. The Company concludes non-competition agreements with Members of the Management Board for the duration of their employment contracts and for up to 12 (twelve) months of the date of their termination.
2. The amount of compensation under non-competition agreements is determined by the Supervisory Board of the Company.
3. The currently binding agreements of the Members of the Management Board provide for a monthly compensation for the non-competition clause following the termination of employment, in an amount equivalent to the monthly fixed remuneration under all legal titles in the Group.
4. The remuneration is subject indexation according to the rules applicable to the fixed monthly remuneration.

VIII. PRINCIPLES OF REMUNERATION FOR MEMBERS OF THE SUPERVISORY BOARD

1. Members of the Supervisory Board may be granted a monthly remuneration, the amount of which is determined in the form of a resolution of the General Shareholders' Meeting. Additional remuneration to the Members of the Supervisory Board for their participation in standing committees of the Supervisory Board can be granted in the same form, if so decided by the General Shareholders' Meeting. The remuneration is payable in a fixed, monthly amount, regardless of the number of meetings of the Supervisory Board.
2. The Company also bears other costs incurred in relation to the participation in meetings of the Supervisory Board, in particular the travel and accommodation costs.
3. The remuneration of a Member of the Supervisory Board, including its increase or decrease, may only be revised by the General Shareholders' Meeting.
4. Decisions in this matter are made in accordance with the Company's Articles of Association by simple majority of votes (Section 11 sec. 1 of the Company's Articles of Association).

5. Pursuant to Article 386 Section 2 in conjunction with Article 369 of the CCC, the term of office of a Member of the Supervisory Board expires upon the Member's death, resignation or dismissal. The term of office of a Member of the Supervisory Board expires no later than on the date of General Shareholders' Meeting which approves the financial statements for the last full fiscal year of fulfilling the function of the Supervisory Board Member. The obligation to pay remuneration to the Member of the Supervisory Board ceases upon expiry of his/her term of office. The Company has no obligation to pay any additional benefits to the Member of the Supervisory Board in relation to the expiry of his/her term of office.
6. Members of the Supervisory Board are not parties to any contracts with the Company concerning the performance of duties of a Member of the Management Board. Members of the Supervisory Board do not receive Variable Components of Remuneration.

IX. STOCK-BASED INCENTIVE PLANS

1. As at the date of adoption of the Remuneration Policy, no remuneration is granted by the Company to Members of the Management Board or Supervisory Board in the form of financial instruments.
2. The Company may adopt in the future incentive plans for all or some Members of the Management Board, which will be based on financial instruments (for example, subscription warrants or shares of the Company). If required by the applicable legal regulations, incentive plans based on financial instruments will be adopted by the General Shareholders' Meeting in a separate resolution. If such plans are adopted, the Remuneration Policy will specify the periods in which the rights to such instruments are acquired, the principles of their disposal and the description of the manner in which granting of remuneration in the form of financial instruments will contribute to the achievement of the objectives referred to in Chapter I Section 2.

X. SUPPLEMENTARY PENSION PLANS AND EARLY RETIREMENT PLANS

The Company does not run any supplementary pension plans or early retirement plans. In accordance with the provisions of the Act of 4 October 2018 on Employee Capital Plans (*Dziennik Ustaw* of 2018, item 2215), the Company shall ensure that its employees may join Employee Capital Plans if the Company is required to launch Employee Capital Plans.

XI. DESCRIPTION OF THE DECISION-MAKING PROCESS CARRIED OUT TO ESTABLISH, IMPLEMENT AND REVIEW THE REMUNERATION POLICY

1. The draft Remuneration Policy was prepared by the Company's Management Board and evaluated by the Supervisory Board. The Remuneration Policy is adopted in the form of a resolution of the General Shareholders' Meeting.
2. The Remuneration Policy is reviewed annually by the Company's Management Board, before publication of the annual report, and the results of the review are presented to the Supervisory Board.

3. Under Article 90e sec. 4 of the Public Offering Act, the Remuneration Policy is subject to review by the General Shareholders' Meeting at least every four years. Prior to the review, the Supervisory Board prepares, by way of a resolution, a recommendation to the General Shareholders' Meeting as to possible changes to be introduced to the Remuneration Policy. The General Shareholders' Meeting may elect to review the Remuneration Policy more frequently than once every four years.
4. Any significant change in the Remuneration Policy requires its adoption, by way of a resolution, by the General Shareholders' Meeting.

XII. DESCRIPTION OF MEASURES IMPLEMENTED TO AVOID OR MANAGE CONFLICTS OF INTEREST ASSOCIATED WITH THE REMUNERATION POLICY

1. The purpose of this Remuneration Policy is to ensure that potential conflicts of interest associated with remuneration of the Members of Management Board and Supervisory Board are identified, mitigated and managed.
2. In order to mitigate the conflicts of interest, the Remuneration Policy provides for the division of competencies between relevant bodies of the Company (Management Board, Supervisory Board, General Shareholders' Meeting) with respect to the issues it regulates, including those that involve its adoption, implementation and review, as well as its evaluation and temporary derogation.
3. If a Member of the Management Board or a Member of the Supervisory Board identifies a likelihood of a conflict of interest with respect to the issues governed by the Remuneration Policy, they will submit their comments to the Chairperson of the Supervisory Board to decide on the further course of action. In the case of a potential conflict of the Chairperson of the Supervisory Board, the Chairperson of the Supervisory Board will submit comments to the entire Supervisory Board.
4. Notwithstanding the above, Members of the Management Board are required to comply with the requirements of Article 377 of the CCC on potential conflicts of interest.

XIII. TEMPORARY DEROGATION OF PROVISIONS OF THE REMUNERATION POLICY

1. If it is necessary to pursue long-term interests and financial stability of the Company, the Supervisory Board may decide to temporarily derogate the provisions of the Remuneration Policy.
2. A derogation of provisions of the Remuneration Policy may concern any or all elements of the Remuneration Policy at the discretion of the Supervisory Board, to the extent necessary to achieve the objectives indicated above.
3. A temporary derogation of provisions of the Remuneration Policy may be requested by the Management Board which should specify the reasons and a justification for such a temporary derogation.
4. A temporary derogation of provisions of the Remuneration Policy requires a resolution of the Supervisory Board. The resolution should specify the reasons for the derogation, the derogated elements of the Remuneration Policy and the maximum period for which

the derogation is applied. The Supervisory Board, by way of a resolution, may extend the period of derogation of provisions of the Remuneration Policy up to the date of the next Ordinary or Extraordinary General Shareholders' Meeting. Then the decision in this respect needs to be made by the General Shareholders' Meeting.

5. Each case of derogation of provisions of the Remuneration Policy is disclosed in the Remuneration Report together with information on the reason and period for which the derogation is introduced.

XIV. AUTHORISATION OF THE SUPERVISORY BOARD TO SPECIFY THE ELEMENTS OF THE POLICY

1. Under Article 90d. Section 7 of the Public Offering Act, the General Shareholders' Meeting has authorised the Company's Supervisory Board to specify the elements of the Policy defined in Article 90d Section 3 item 1, Section 4 item 1 and 4 and Section 5 of the Public Offering Act within the limits set by the General Shareholders' Meeting under this Remuneration Policy.
2. The Remuneration Policy enters into force on the date following the date of its adoption by the General Shareholders' Meeting.

