

MOSTOSTAL WARSZAWA S.A.
MANAGEMENT BOARD AND SUPERVISORY BOARD
REMUNERATION POLICY

Adopted by resolution of the GSM on __ 2020.



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I. INTRODUCTION

Mostostal Warszawa S.A. remuneration policy ("**Policy**") defines the principles for determining, payments and monitoring of remuneration of the Mostostal Warszawa S.A. ("**Company**") Supervisory Board and Management Board members. The Policy sets out and regulates, among others, the procedures for the setting up and acceptance of this Policy, its review frequency, general characteristics, compliance with effective risk management, strategy, objectives, values and long-term interests of the Company as well as introduces rules for remunerating the Management Board and Supervisory Board members.

The policy has been drawn up on the basis of:

- Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
- Chapter 4a of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies.

The draft of the Policy was drawn by the Management Board and agreed with the Company's Supervisory Board. In view of the above, the Management Board decided to recommend to the General Meeting to adopt the Mostostal Warszawa S.A. remuneration policy. The Supervisory Board's opinion which justifies the introduction of the Policy has been enclosed to this motion for the Policy adoption. The Supervisory Board's position is available to the shareholders on the Company's website.

II. REMUNERATION POLICY OBJECTIVES AND GENERAL PROVISIONS

§ 1

1. The main objectives of this Policy are:
 - a) to employ, motivate and retain top-class experts who will be responsible for the efficient management of both the current and long-term operations of the Company and who will have adequate knowledge, skills and experience to achieve the strategic objectives of the Company;
 - b) introduction of mechanisms relating the Management Board activities and its remuneration with effective risk management and the financial standing of the Company;
 - c) implementation of mechanisms that prevent potential conflicts of interest;
 - d) to encourage the Company in order to achieve the best possible results;
 - e) ensuring that the Supervisory Board has capacity for effective supervision over the Company's Management Board.
2. The objective of this Policy is to promote Company's long-term and sustainable development and to implement mechanisms aimed at reducing excessive risk taking and eliminating undesirable behaviours that may affect the Company's business activities or financial standing.
3. The objective of the Policy is to establish general terms of the remuneration system that is adequate to the Management Board and Supervisory Board members involvement and responsibility and promotes the acquisition and retention of the most appropriate experts and contributes to the achievement of the Company's strategic objectives.

§ 2

The policy appropriately takes into account the Company's work conditions and pay general terms so as to ensure synergy between the remuneration of the Management Board and the Supervisory Board members and the remuneration of other employees at the Company, while taking into account the differences in the qualifications, scope of duties and responsibilities of the Management Board and the Supervisory Board members, as well as taking into account market requirements and the need to attract and retain people with the highest qualifications and relevant experience in these positions.

§ 3

Remuneration of the Company's Management Board and Supervisory Board members may be paid only in accordance with the provisions of this Policy.

§ 4

1. The General Shareholders Meeting hereby authorizes the Supervisory Board to specify the details of this Policy within the limits concerning the Management Board members under the following scope:
 - a) description of the fixed and variable components of remuneration, as well as bonuses and other cash and non-cash benefits that may be granted to Management Board members,
 - b) establishing clear, comprehensive and differentiated performance criteria for both financial and non-financial performance which is to be associated with granting the variable remuneration, including criteria relating to the consideration of social interests, the contribution to environmental protection and taking of measures in order to prevent and eliminate negative social impacts of the Company's activities,
 - c) establishing payment deferment periods and the possibility by the Company to demand the return of variable components of remuneration, if the Company decides to apply such conditions, which will have to beforehand be reflected in the Policy;
 - d) of determining the periods, in under which one acquires the right to receive remuneration in the form of financial instruments, the principles of disposal of these financial instruments and the explanation of how the granting of the remuneration in the form of financial instruments contributes to the Company's implementation of business strategy, long-term interests and stability, if the Company decides to grant remuneration in the form of financial instruments, which will have to beforehand be reflected in the Policy
2. the specification referred to in clause 1 of the above must be consistent with the purpose and principles set out in this Policy.

III. EXEMPTIONS FROM REMUNERATION POLICY

§ 5

1. Under exceptional circumstances, when payment of remuneration in accordance with this Policy will be impossible or extremely difficult, the Supervisory Board, having regard the long-term interest and maintenance of financial stability and profitability of the Company, may adopt a resolution on temporary exemption from the application of the Policy components envisioned in chapters IV and V below.
2. The resolution referred to in clause 1 of the above shall be adopted by an absolute majority of votes, in the presence of at least half of the of the Supervisory Board members, including the Chairman or Deputy Chairman.
3. Any deviation from this Policy should be reflected in the annual salary statement for the year in which the deviation was made.

IV. REMUNERATION OF MANGEMENT BOARD MEMBERS

§ 6

1. Awarding the remuneration of the Management Board members the Company's takes into account the following principles:
 - a) **consistency with business strategy:** the Supervisory Board determines remuneration that is consistent with the Company's business strategy, risk assessment and long-term values;
 - b) **corporate governance and transparency:** the Supervisory Board shall adopt measures necessary to ensure adequate management and transparency of Management Board members remuneration;
 - c) **balanced remuneration system:** the Supervisory Board strives to achieve adequate proportions between fixed and variable remuneration components. In particular, variable remuneration must be linked to the professional performance of the Management Board member and not merely directly result from market trends or the business sector or other factors;
 - d) **non-discrimination:** the Supervisory Board ensures that the remuneration system grants similar remuneration for comparable functions and exposures;
 - e) **alignment with market practices:** the Supervisory Board aims to ensure that the remuneration of the Management Board members is, as far as possible, consistent with the market remuneration in companies of similar size and business profile.
2. The remuneration of the of the Management Board members may consist of the following components:
 - a) fixed remuneration, i.e. the basic salary,
 - b) variable remuneration, i.e. bonuses,
 - c) additional cash or in kind benefits.
3. The aforementioned means that a Management Board Member may be granted all or some of the components indicated in clause 2 above, upon the Supervisory Board's discretion.
4. The tasks and competences of the Supervisory Board specified in this Policy, subject to the provisions of the Commercial Companies Code and the Company's Articles of Association, may also be performed by committees established within its Policy's framework, on the terms and scope specified in Company's Supervisory Board bylaws.

Fixed Remuneration

1. The Management Board members receive a fixed remuneration on the basis of the Employment Contract or any other legal relationship between them and the Company or any other Acciona S.A. Group entity.
2. Subject to clause 3 below, the scope and form of remuneration payable by the Company shall be agreed between the Management Board member and the Company represented by the Supervisory Board.
3. Management Board member employed in another Acciona S.A. Group entities (regardless of the form of employment, including in particular employment contract or management contract), who performs a function in the Management Board of the Company, in principle does not receive remuneration for performing the Management Board function in the Company, but may receive additional cash or in kind benefits, in accordance to Supervisory Board's decision, the Supervisory Board may grant remuneration to a Management Board member employed by another Acciona S.A. Group entity, by taking into consideration the fact of his/her employment in another Acciona S.A. Group entity.

§ 7

Variable remuneration

1. The Management Board members may be awarded an annual bonus in accordance with the provisions set within the agreements binding them with the Company.
2. The maximum amount of bonus possible to be received by the Management Board member is set forth in the agreement constituting the basis for employment of the Management Board member with the Company, however, it may not exceed 40% of the annual fixed (basic) remuneration.
3. The annual bonus is an additional and particular component of the remuneration which depends on the extent to which the targets set forth by the Supervisory Board for the Management Board member in accordance with above §4 were achieved. The conditions for granting the bonus and the amount of the bonus shall be determined by the Supervisory Board individually, for each Management Board member for a given financial year, taking into account the indications specified by the Policy.
4. The criteria for award consist of:
 - a) financial performance criteria, such as: sales revenues, contracting, cost level, EBITDA, profitability ratios or other financial indicators;
 - b) non-financial performance criteria, such as.: development of product diversification, geographic diversification, increasing organizational effectiveness, increasing employee motivation and involvement, limiting the Company's negative impact on the environment, reducing the impact of the Company's operations on local communities, promoting involvement in environmental and charitable activities, research and development involvement.
5. The payment of the annual bonus depends on the actual fulfilment of:
 - c) the Company's annual target as determined by the Supervisory Board;
 - d) individual annual targets of the Management Board member as determined by the Supervisory Board.
6. The Supervisory Board is solely responsible for assessment on whether the Management Board member meets the targets and conditions for the pay out of variable remuneration components.

7. The criteria referred to in clause 4 shall be determined by taking into account the business strategy, shareholders' long-term interests and the Company's stability, as well as the ability to implement the above, while determining the non-financial performance criteria the following shall be taken into account: social interests, the Company's contribution for environmental protection and actions undertaken with the aim at preventing negative social impact of the Company's operations.
8. During the first year of employment, the pay out of the annual bonus shall be calculated proportionally, to the employment commencement date.
9. In the event of termination of the contract constituting the basis for employment of a Company's Management Board member by the Company, provided that the Management Board member has fulfilled the objectives set for him/her and other conditions for its payment are met, the bonus will be due in the amount proportional to the period of employment during the bonus year.

§ 8

Additional cash or in kind benefits

1. In addition to the above mentioned remuneration components, of the Company's Management Board members may receive additional cash or in kind benefits including in particular:
 - a) insurance, including: directors and officers liability Insurance (so-called D&O insurance), life insurance, company car insurance, for the of the Management Board member and members of his/her family, in accordance with the policy of such benefits in force at the time;
 - b) the possibility to use the company car also for private purposes;
 - c) the possibility of medical care packages use;
 - d) the right to benefit from other benefits (including sports or cultural packages) offered to Company employees on principles similar as those offered to other employees;
 - e) the possibility to participate in language courses or other training courses on the principles applicable to the all employees;
 - f) other cash benefits (e.g. holiday pay, sick pay, cash equivalent for unused holiday leave, retirement severance pay) if the obligation to pay such benefits results from the law or wage regulations of the Company.
2. Management Board members are entitled to reimbursement of all reasonable expenses (including travel, accommodation or any other kind) incurred while performing their duties on behalf of the Company, provided that they are duly justified and documented.
3. Management Board Members who have relocated to Poland in order to serve on the Management Board, including of the Management Board members employed by another Acciona S.A. Group entities, may also be entitled to receive:
 - a) flight tickets for Management Board member and his/her family members or reimbursement of their expenses
 - b) cover of relocation to Poland expanses,
- in accordance with Acciona S.A. Group entities policies currently binding in this respect.
4. Additional cash and in kind benefits may be subject to personal income tax or constitute the basis for the assessment of social security contributions, so that the Company will make appropriate deductions and settlements in this respect on the basis of applicable laws.

V. REMUNERATION OF SUPERVISORY BOARD MEMBERS**§ 9**

1. The Company may pay fixed remuneration to the Supervisory Board members according to the principles set out in clauses 2 - 4 below.
2. Fixed remuneration paid to:
 - a) Supervisory Board members
 - b) Supervisory Board members who also serve on committees appointed by the Supervisory Board;
- will be determined in a resolution of the General Shareholders Meeting and will remain binding until the General Shareholders Meeting resolves to change it.
3. Supervisory Board members employed in any of the Acciona S.A. Group entities under an employment contract or other legal relationship (including management contract), who perform functions in the Company's Supervisory Board will not receive remuneration for performing functions in the Company's Supervisory Board.
4. Supervisory Board members (both those who serve only on the Supervisory Board and those who also serve committees appointed by the Supervisory Board) are not entitled to any variable remuneration or other cash or in kind benefits, with the exception directors and officers liability Insurance (D&O policies) and the incurring or refunding of travel expenses of the Supervisory Board members related to the performance of their duties.

VI. LEGAL RELATIONS BETWEEN MANAGEMENT AND SUPERVISORY BOARD MEMBERS AND THE COMPANY**§ 10****Management Board**

1. Company's Management Board members may cooperate with the Company or another Acciona S.A. Group entity of the on the basis of an employment contract, civil law contract or on the basis of resolutions on appointment and remuneration.
2. Employment contracts and civil law contracts with the Company may be concluded for the duration of the term of office or an indefinite period of time depending on the decision of the Supervisory Board. As at the date of preparation of this Policy, all the Management Board members are employed by the Company or another Acciona S.A. Group entity under employment contracts for an indefinite period.
3. Agreements with the Management Board members shall be concluded by the Supervisory Board acting as a collective body, which may delegate one of its members to sign such documents on behalf of the Supervisory Board.
4. With the exception of clause 5 below, the contract termination notice and conditions as provisioned by Labour Code shall apply to all the Management Board members employed under employment contracts, unless the contract specifies another period, however it cannot be longer than 6 months.
5. If the Company terminates the contract constituting the basis for cooperation between a Management Board member and the Company due to the dismissal of Management Board member from the Management Board, if such contract provision provide for it, the Management Board member may be entitled to a severance pay in the amount not exceeding 50% of the gross annual basic remuneration of the of the Management Board member for the period of last 12 months of employment with the Company.

6. Management Board member may also be bound with the Company by a non-competition agreement after the cessation of cooperation with the Company, providing for a ban on undertaking competitive activities towards the Company for the period specified in the agreement, not longer than 12 months from the date of termination of the agreement which constituted the basis for cooperation between the Management Board member and the Company. In exchange for compliance with the no competition obligations, the Management Board member may be entitled to compensation (if the non-competition agreement provides for it).

§ 11

Supervisory Board

1. Supervisory Board members are appointed and dismissed from the Company on the basis of a General Shareholders Meeting resolution. The term of office of for the Supervisory Board members is common and lasts 5 years.
2. There are no contracts are concluded with the Supervisory Board members in connection with their Supervisory Board functions, however, it is permitted to appoint a representative of the Company's employees or a person employed by one of the Acciona S.A. Group entities to the Supervisory Board.

VII. SUPPLEMENTARY PENSION SCHEMES AND EARLY RETIREMENT SCHEMES

§ 12

1. The Company's Management Board and Supervisory Board members are not covered by additional pension schemes or early retirement schemes. The Company does not rule out introducing additional pension schemes or early retirement schemes in the future.
2. The Company's Management Board and Supervisory Board members may participate in the employee capital plan (PPK) under the principles set out in the PPK management contract and the PPK operation contract and the Act of 4 October 2018 on employee capital plans.

VIII. DECISION-MAKING PROCESS, PERIODIC POLICY REVIEW AND VERIFICATION, CONFLICT OF INTEREST

§ 13

Supervisory Board's Report

1. The Supervisory Board prepares annually a remuneration report presenting a comprehensive review of remuneration, including all benefits, regardless of their form, received by individual members of the Management Board and Supervisory Board for the last financial year, in accordance with the Policy.
2. The Supervisory Board members are responsible for the information contained in the remuneration report
3. The Supervisory Board's remuneration report is subject to the auditor's evaluation.
4. The General Shareholders Meeting adopts an every year a resolution issuing an opinion on the remuneration report. The resolution is advisory in nature.

§ 14

Review and Approval of the Policy

1. The Remuneration Policy will subject to periodic review, at least once every four years, and reviewed by the Supervisory Board, which will present to the Management Board any proposals for changes it deems appropriate in the light of developments in the Company and the market, as well as any adjustments that may be necessary to ensure compliance with applicable laws and corporate governance standards.
2. Based on the Supervisory Board recommendation as to the changes in the Policy the Management Board prepares proposed changes in the Policy and presents them to Supervisory Board for approval.
3. Each significant change to the Policy requires approval of the General Shareholders Meeting.
4. Management Board is responsible for the information contained in the Policy

§ 15

Monitoring and Implementation, Conflict of Interest Avoidance

1. The Company's Management Board shall be responsible for establishing a system of control and supervision over the detailed requirements of the Policy applicable to the Management Board and Supervisory Board members in order to ensure compliance and effective application of the principles laid down by this Policy.
2. In order to avoid any conflicts of interest relating to this Policy:
 - a) before presenting the draft Policy to the General Shareholders Meeting for adoption, the Management Board shall present the draft Policy to the Supervisory Board, which shall give its opinion. The opinion of the Supervisory Board shall be presented to the General Meeting together with the draft Policy;
 - b) in the course of enforcing this Policy, decisions concerning the amount and principles of remuneration of the Management Board members are made by the Supervisory Board or the General Shareholders Meeting, and those concerning the Supervisory Board are made by the General Shareholders Meeting.

IX. APPROVAL AND PUBLICATION

§ 16

1. The policy was approved at the Company's General Shareholders Meeting held on __.__.2020.
2. The Policy and the resolution adopting it are published on the Company's website <https://www.mostostal.waw.pl/>, for as long as they apply.