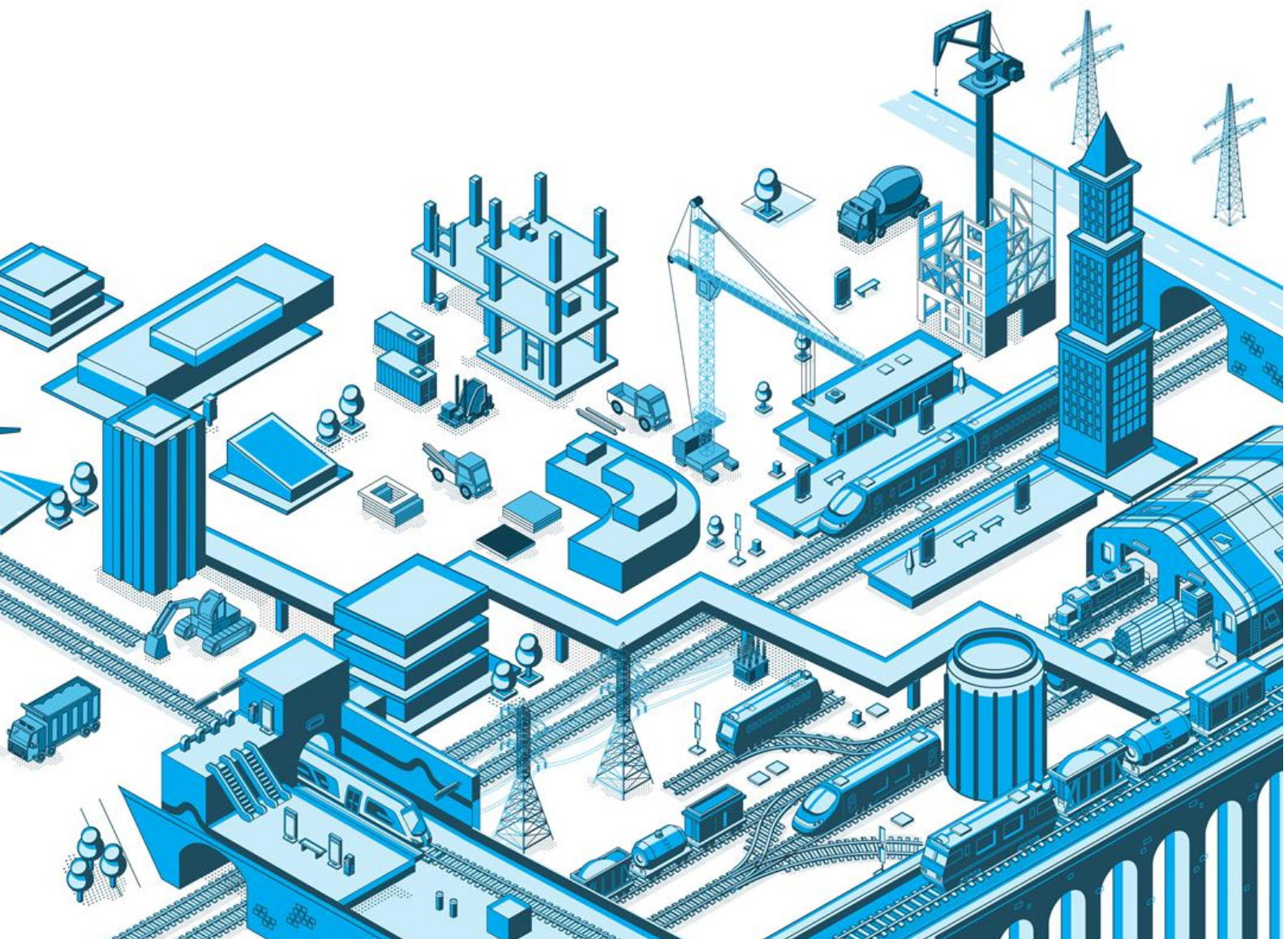




TRAKCJA

KOLEJ  
DROGI  
OBIEKTY

REPORT ON REMUNERATION  
OF THE MANAGEMENT BOARD  
AND SUPERVISORY BOARD OF TRAKCJA S.A.  
FOR THE YEAR 2021



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## 1. General information

This Report on remuneration of the Management Board and Supervisory Board of Trakcja S.A. for 2021 ("Remuneration Report") has been prepared pursuant to Article 90g. of the Act on public offering and the conditions for admitting financial instruments to the regulated system of trading and on publicly traded companies (Journal of Laws of 2021, item 1983 with later change).

The applicable Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Trakcja S.A. ("Remuneration Policy") was approved on 30 June 2020 by resolution No. 28 of the Ordinary General Meeting of the Company. The applicable Remuneration Policy is available on Trakcja S.A.'s website in the "Investor Relations" tab: <https://www.grupatrakcja.com/pl/relacje-inwestorskie/lad-korporacyjny/>.

In accordance with §20 point 1 of the Remuneration Policy, the Supervisory Board prepares an annual remuneration report (the Report), presenting a comprehensive review of remuneration, including all benefits, regardless of their form, received by individual Members of the Management Board and Members of the Supervisory Board or due to them in the last financial year, in accordance with this Remuneration Policy. The Report is evaluated by a statutory auditor.

## 2. Management Board

As at December 31, 2021 the Company's Management Board was composed of the following members:

Marcin Lewandowski	-	President of the Management Board;
Arkadiusz Arciszewski	-	Vice-President of the Management Board;
Aldas Rusevičius	-	Vice-President of the Management Board;
Paweł Nogalski	-	Vice-President of the Management Board;
Adam Stolarz	-	Member of the Management Board.

In 2021, the following changes to the composition of the Management Board took place:

On May 31, 2021 the Supervisory Board of the Company, pursuant to Article 16 sec. 2 point 1 in conjunction with Article 18 sec. 2 point 1 of the Company's Articles of Association, adopted resolutions by virtue of which it appointed the existing four members of the Management Board of the Company, i.e. Messrs Marcin Lewandowski, Paweł Nogalski, Aldas Rusevičius and Arkadiusz Arciszewski, for a new joint term of office.

On June 29, 2021, Agencja Rozwoju Przemysłu S.A., a shareholder of the Company, acting pursuant to Article 18 sec. 2 point 2 and 18 sec. 2 point 3 of the Company's Articles of Association, submitted a written declaration on the appointment for another term of office of Mr Robert Sobków to the position of Management Board Member responsible for internal audit and Mr Adam Stolarz to the position of Management Board Member responsible for key customers of the Company.

On August 10, 2021, Mr Robert Sobków submitted a statement on termination of the Managerial Contract with the Company, with a 3-month notice period. On August 19, 2021, Mr Robert Sobków resigned from the position of Member of the Management Board effective as of August 19, 2021.

Apart from the above-mentioned, the following changes took place after the balance sheet date and until the date of approval of this report for publication:

On March 11, 2022, three members of the Management Board were recalled: Mr Marcin Lewandowski – President of the Management Board, Mr Aldas Rusevičius – Vice-President of the Management Board and Mr Adam Stolarz – Member of the Management Board. At the same time, new members were appointed: Mr Jakub Lechowicz to

the position of the President of the Management Board, Mr Piotr Mechecki to the position of the Vice-President of the Management Board and Mr Jacek Gdański to the position of the Vice-President of the Management Board.

As at the date of approval of this report for publication and in the year 2021, the Management Board of the Company was composed of the following members:

Management Board	function	from	to
Jakub Lechowicz	President of Management Board	11.03.2022	currently
Piotr Mechecki	Vice-President of Management Board	11.03.2022	currently
Jacek Gdański	Vice-President of Management Board	11.03.2022	currently
Paweł Nogalski	Vice-President of Management Board	09.06.2015	currently
Arkadiusz Arciszewski	Vice-President of Management Board	10.10.2019	currently
Marcin Lewandowski	President of Management Board	01.09.2018	11.03.2022
Aldas Rusevicius	Vice-President of Management Board	01.12.2017	11.03.2022
Adam Stolarz	Member of Management Board	04.12.2019	11.03.2022
Robert Sobków	Member of Management Board	04.12.2019	19.08.2021

### 3. Supervisory Board

As at December 31, 2021, the Company's Supervisory Board was composed of the following members:

Dominik Radziwiłł	-	Chairman of the Supervisory Board;
Jorge Miarnau Montserrat	-	Vice-Chairman of the Supervisory Board;
Magdalena Komaracka	-	Vice-Chairman of the Supervisory Board;
Krzysztof Tenerowicz	-	Member of the Supervisory Board;
Klaudia Budzisz	-	Member of the Supervisory Board;
Miquel Llevat Vallespinosa	-	Member of the Supervisory Board;
Julio Alvarez Lopez	-	Member of the Supervisory Board.

In 2021, the following changes to the composition of the Supervisory Board took place:

- On July 26, 2021, the Company received a statement from the shareholder COMSA S.A.U., according to which, as of 27 July 2021:
  - Mr Fernando Perea Samarra was dismissed from the position of a member of the Supervisory Board of the Company; and
  - Mr Julio Alvarez Lopez was appointed as a member of the Supervisory Board of the Company.
- On September 10, 2021, pursuant to a resolution of the Extraordinary General Meeting of the Company:
  - Mr Michał Hulbój was dismissed from the position of a member of the Supervisory Board of the Company,
  - Mrs Magdalena Komaracka was appointed as a member of the Supervisory Board of the Company

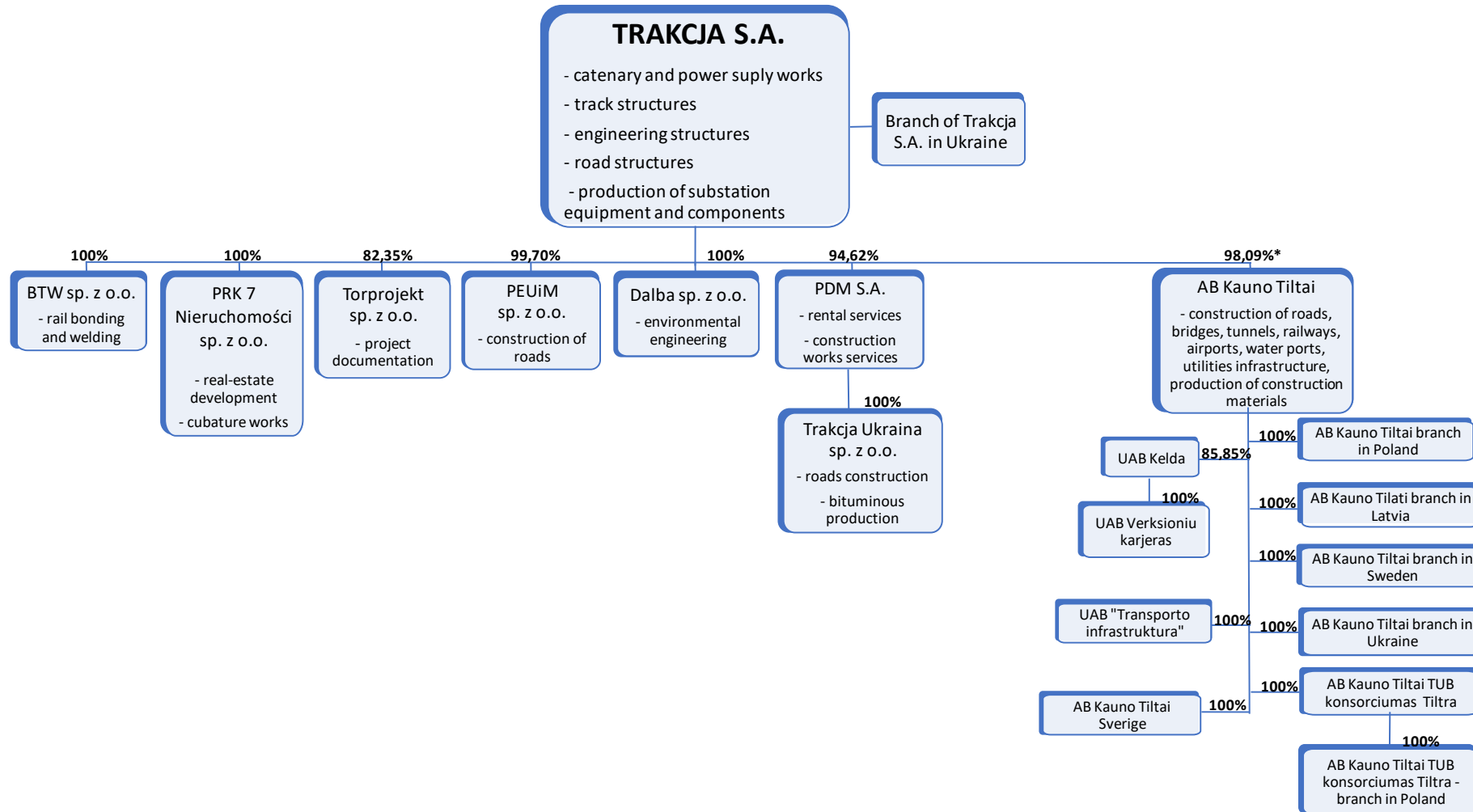
Apart from the above-mentioned, after the balance sheet date to the date of this report there were no other changes in the Supervisory Board.

As at the date of approval of this report for publication and in the year 2021, the Supervisory Board of the Company was composed of the following members:

Supervisory Board	function	from	to
Dominik Radziwiłł	Chairman of the Supervisory Board		currently
	Member of the Supervisory Board	05.10.2015	
Jorge Miarnau Monserrat	Vice-Chairman of the Supervisory Board		currently
	Member of the Supervisory Board	04.07.2012	
Krzysztof Tenerowicz	Member of the Supervisory Board	20.12.2019	currently
Klaudia Budzisz	Member of the Supervisory Board	04.12.2019	currently
Miquel Llevat Vallespinosa	Member of the Supervisory Board	04.07.2012	currently
Julio Alvarez Lopez	Member of the Supervisory Board	27.07.2021	currently
Magdalena Komaracka	Vice-Chairman of the Supervisory Board		currently
	Member of the Supervisory Board	10.09.2021	
Michał Hulbój	Vice-Chairman of the Supervisory Board		10.09.2021
	Member of the Supervisory Board	25.06.2015	
Fernando Perea Samarra	Member of the Supervisory Board	12.06.2013	27.07.2021

#### 4. The amount of total remuneration in the Parent Company and subsidiaries of the Trakcja Group, broken down by components and mutual proportions between these components of remuneration

Trakcja is the Parent Company of Trakcja Group. The Group's composition and structure as at 31 December 2021 is presented in the diagram below.



\*) Trakcja holds a total of 98.09% (96.84% directly and 1.25% indirectly) of the share capital of AB Kauno Tiltai. The indirect shareholding results from the acquisition of own shares by the subsidiary.

The principles and amount of remuneration of the Members of the Company's Management Board are determined by the Company's Supervisory Board, pursuant to Article 16 sec. 2 point 2 of the Company's Articles of Association and the Remuneration Policy.

In accordance with the Remuneration Policy valid from June 30, 2020, the remuneration of the Members of the Management Board of Trakcja S.A. in the year 2021 consisted of the following elements:

- 1) fixed cash remuneration for being appointed to the Management Board of the Company and performing the function of the Management Board Member and remuneration for providing management services to the Company (managerial contract), based on a contract concluded with the Company, which consisted of:
  - a) fixed part (basic salary),
  - b) a variable part (annual bonus) – comprising two elements, one of which depends on the Company's financial result based on EBITDA and the other on the performance by a Member of the Management Board of the individually determined managerial objectives for a given financial year by the Supervisory Board;
- 2) additional non-monetary benefits, inter alia, the right to use a premium class company car, coverage of the Management Board Member with a medical care package, life insurance, Employee Capital Plan.

In the event of, the Member of the Board does not provide in the same time the position of a director or the other position within the organizational structure of the Company and does not provide constant management services for Company, then is entitled to obtain only fixed cash remuneration for appointment to the Management Board of the Company and performance of the function of a Member of the Management Board.

The Company does not provide for special benefits and pension schemes for the Members of the Management Board.

In accordance with the Remuneration Policy valid from June 30, 2020, the remuneration of the Members of the Supervisory Board of Trakcja S.A. in the year 2021 consisted of the following elements:

- 1) fixed cash remuneration for the function performed;
- 2) remuneration for sitting on committees operating within the Supervisory Board.

The remuneration awarded to Supervisory Board Members varies depending on the function held on the Supervisory Board or a committee of the Supervisory Board.

The Company does not provide for special benefits and pension schemes for the Members of the Supervisory Board of the Company.

Total amount of the remuneration paid and other benefits paid to Members of the Parent Company's Management Board for the year 2021 is presented in the table below:

Management Board of the Parent Company		Parent Company							Subsidiaries						
		Remuneration	share %	Bonuses	share %	Other benefits	share %	Total	Remuneration	share %	Bonuses	share %	Other benefits	share %	Total
Marcin Lewandowski	President of Management Board to 11.03.2022	1 563	75%	507	24%	6	0%	2 076	-	0%	-	0%	-	0%	-
Paweł Nogalski	Vice-President of the Management Board	858	81%	183	17%	19	2%	1 060	-	0%	-	0%	-	0%	-
Arkadiusz Arciszewski	Vice-President of the Management Board to 11.03.2022	600	84%	109	15%	3	0%	712	-	0%	-	0%	-	0%	-
Aldas Rusevicius	Vice-President of the Management Board to 11.03.2022	120	100%	-	0%	-	0%	120	604	63%	335	35%	14	1%	953
Robert Sobków	Member of Management Board to 19.08.2021	550	81%	122	18%	8	1%	680	-	0%	-	0%	-	0%	-
Adam Stolarz	Member of Management Board to 11.03.2022	600	80%	132	18%	15	2%	747	-	0%	-	0%	-	0%	-
<b>Total</b>		<b>4 291</b>		<b>1 053</b>		<b>51</b>		<b>5 395</b>	<b>604</b>		<b>335</b>		<b>14</b>		<b>953</b>

The presented bonuses for the Management Board Members of the Company for the year 2021 were adopted on May 18, 2022, i.e. after the publication of the Financial statements for the financial year ended December 31, 2021.

Due to the changes in the composition of the Management Board that took place on March 11, 2022, in accordance with the provisions in the management contracts, the Company is obliged to pay additional remuneration in the amount of 1,172 thousand zloty.

The "Other benefits" category includes amounts related to non-cash benefits, incl. having a premium-class company car, medical care, life insurance, Employee Capital Plan (PPK).

Remuneration paid and other benefits paid to Members of the Parent Company's Supervisory Board for the year 2021 is presented in the table below:

Supervisory Board of the Parent Company		Parent Company							Subsidiaries						
		Remuneration	share %	Bonuses	share %	Other benefits	share %	Total	Remuneration	share %	Bonuses	share %	Other benefits	share %	Total
Dominik Radziwiłł	Chairman of the Supervisory Board	240	98%	-	0%	4	2%	244	274	100%	-	0%	-	0%	274
Jorge Miarnau Monserrat	Deputy Chairman of the Supervisory Board	96	100%	-	0%	-	0%	96	-	0%	-	0%	-	0%	-
Michał Hulbój	Deputy Chairman of the Supervisory Board to 10.09.2021	144	99%	-	0%	2	1%	146	-	0%	-	0%	-	0%	-
Magdalena Komaracka	Member of the Supervisory Board from 10.09.2021 Deputy Chairman of the Supervisory Board from 16.09.2021	44	100%	-	0%	-	0%	44	-	0%	-	0%	-	0%	-
Miquel Llevat Vallespinosa	Member of the Supervisory Board	132	100%	-	0%	-	0%	132	274	100%	-	0%	-	0%	274
Krzysztof Tenerowicz	Member of the Supervisory Board	204	99%	-	0%	3	1%	207	-	0%	-	0%	-	0%	-
Klaudia Budzisz	Member of the Supervisory Board	132	99%	-	0%	2	1%	134	-	0%	-	0%	-	0%	-
Fernando Perea Samarra	Member of the Supervisory Board to 27.07.2021	77	100%	-	0%	-	0%	77	-	0%	-	0%	-	0%	-
Julio Alvarez	Member of the Supervisory Board from 27.07.2021	66	100%	-	0%	-	0%	66	-	0%	-	0%	-	0%	-
<b>Total</b>		<b>1 135</b>		<b>-</b>		<b>11</b>		<b>1 146</b>	<b>548</b>		<b>-</b>		<b>-</b>		<b>548</b>



In accordance with §3 point 5 of the Remuneration Policy, the Company does not provide for taking into account, within the framework of remuneration of the Members of the Management Board and the Supervisory Board, benefits for their closest relatives, mentioned in art. 90g sec. 5 of the Act on Public Offer. Possible non-monetary benefits for the benefit of the closest Members of the Management Board of the Company may be financed from their remuneration.

## **5. An explanation of how the total remuneration complies with the adopted Remuneration Policy, including how it contributes to the long-term performance of the Company**

The current Remuneration Policy has been effective in Trakcja S.A. since June 30, 2020. It is a continuation of application of the principles and the procedure of remunerating the Members of the Management Board and the Supervisory Board of the Company, taking into account the motivational elements and the mechanisms making the amount of remuneration dependent on the current market situation, including the financial situation of the Company.

The remuneration of the Members of the Management Board of Trakcja S.A. contributes to the achievement of long-term results of Trakcja S.A. through the establishment by the Supervisory Board of management objectives in the financial and non-financial area, the achievement of which results in the granting of a periodic bonus. The level of remuneration of the Members of the Management Board and the Supervisory Board in the year 2021 allowed to attract and maintain an appropriate level of motivation of people with the highest competences, which are needed for optimal management and supervision of the Company. The level of fixed and variable remuneration corresponds to both the competence, experience and scope of tasks of these persons and the related responsibility.

## **6. Information on how the performance criteria have been applied**

When determining the variable remuneration components, the Supervisory Board shall take into account, in particular, the current financial standing of the Company, as well as the current situation and prosperity in the construction industry and the scope and complexity of the projects currently implemented by the Company.

In accordance with §9 of the Remuneration Policy, the variable remuneration consists of:

- 1) annual bonus related to the Company's financial result, based on EBITDA and
- 2) annual bonus related to the realization of individually set managerial goals.

The amounts and principles of granting and paying variable remuneration to each Member of the Management Board shall be determined by the Supervisory Board.

In accordance with §10 of the Remuneration Policy, the annual bonus is entitled on condition that the Company achieves a positive financial result and is determined based on the planned EBITDA of the Trakcja Group. When calculating the bonus, the planned EBITDA rate specified in the annual consolidated budget of the Trakcja Group, approved by the Supervisory Board of the Company, and the achieved EBITDA resulting from the annual consolidated financial statements of the Trakcja Group, audited by a certified auditor, are taken into account.

In accordance with §11 of the Remuneration Policy, the annual bonus is also granted for the implementation of individual managerial goals set for a given financial year by the Supervisory Board. When setting managerial targets, the following is taken into account:

- 1) financial criteria, in particular:
  - a) execution of the Company's financial plan (budget) of the Company and the Group;
  - b) the performance of tasks which give rise to additional and unplanned income or savings, taking into account the risks associated with the performance of such tasks;
  - c) contributing to losses which could objectively have been prevented (as a negative factor).
- 2) non-financial criteria, in particular:

- a) participation in activities affecting the Company's reputation (as a positive or negative factor);
- b) failure to meet expectations of competence (as a negative factor in the assessment);
- c) timely completion of the tasks set, taking into account the objective conditions for their performance;
- d) the approach to risk;
- e) the implementation of tasks in the areas to be supervised;
- f) other criteria concerning, among others, taking into account social interests, including the Company's contribution to environmental protection and taking actions aimed at preventing and eliminating negative social effects of the Company's operations.

Fulfillment of all individual goals to the full extent entitles a Member of the Management Board to an annual bonus of up to 50% of the annual remuneration, understood as twelve times the sum of the basic remuneration received under the managerial contract and the remuneration for performing the function of a Member of the Management Board.

## 7. Information on the annual change in the remuneration, the Company's results and the average remuneration of employees of this Company who are not Members of the Management Board or Supervisory Board, over the period of at least the last five financial years, in total, in a manner that enables

	2017	change 2018 vs 2017	change %	2018	change 2019 vs 2018	change %	2019	change 2020 vs 2019	change %	2020	change 2021 vs 2020	change %	2021
<b>Annual average remuneration of employees who are not members of the Management</b>	<b>87</b>	<b>9</b>	<b>10%</b>	<b>96</b>	<b>4</b>	<b>4%</b>	<b>100</b>	<b>3</b>	<b>3%</b>	<b>103</b>	<b>9</b>	<b>9%</b>	<b>112</b>
<b>Management Board as at 31.12.2021</b>													
Marcin Lewandowski	-	440	nd	440	1 200	273%	1 640	11	1%	1 651	425	26%	2 076
Paweł Nogalski	832	(14)	-2%	818	(62)	-8%	756	179	24%	935	125	13%	1 060
Arkadiusz Arciszewski	-	-	nd	-	158	nd	158	495	313%	653	59	9%	712
Aldas Rusevicius	10	122	1220%	132	(12)	-9%	120	7	6%	127	(7)	-6%	120
Adam Stolarz	-	-	nd	-	22	nd	22	618	2809%	640	107	17%	747
<b>Previous members of the Management Board</b>													
Robert Sobków	-	-	nd	-	22	nd	22	621	2823%	643	37	6%	680
Jarosław Tomaszewski	1 290	313	24%	1 603	(643)	-40%	960	(960)	-100%	-	-	nd	-
Marek Kacprzak	840	99	12%	939	189	20%	1 128	(1 128)	-100%	-	-	nd	-
Sobczyk Maciej	179	608	340%	787	349	44%	1 136	(1 136)	-100%	-	-	nd	-
<b>Annual total remuneration of members of the Management Board of Trakcja S.A.</b>	<b>3 151</b>	<b>1 568</b>	<b>50%</b>	<b>4 719</b>	<b>1 223</b>	<b>26%</b>	<b>5 942</b>	<b>(1 293)</b>	<b>-22%</b>	<b>4 649</b>	<b>746</b>	<b>16%</b>	<b>5 395</b>
<b>Supervisory Board as at 31.12.2021</b>													
Dominik Radziwiłł	240	-	0%	240	-	0%	240	(2)	-1%	238	6	3%	244
Jorge Miarnau Monserrat	96	-	0%	96	-	0%	96	(2)	-2%	94	2	2%	96
Magdalena Komaracka	-	-	nd	-	-	nd	-	-	nd	-	44	nd	44
Miquel Ulevat Vallespinosa	132	-	0%	132	-	0%	132	(3)	-2%	129	3	2%	132
Krzysztof Tenerowicz	-	-	nd	-	-	nd	-	207	nd	207	-	0%	207
Klaudia Budzisz	-	-	nd	-	-	nd	-	130	nd	130	4	3%	134
Julio Alvarez	-	-	nd	-	-	nd	-	-	nd	-	66	nd	66
<b>Previous members of the Supervisory Board</b>													
Michał Hulbój	132	-	0%	132	-	0%	132	45	34%	177	(31)	-18%	146
Fernando Perea Samarra	132	-	0%	132	-	0%	132	(3)	-2%	129	(52)	-40%	77
Wojciech Napiórkowski	132	-	0%	132	36	27%	168	(168)	-100%	-	-	nd	-
Łukasz Rozdeiczner-Kryszkowski	105	27	26%	132	-	0%	132	(132)	-100%	-	-	nd	-
<b>Annual total remuneration of members of the Supervisory Board of Trakcja S.A.</b>	<b>969</b>	<b>27</b>	<b>3%</b>	<b>996</b>	<b>36</b>	<b>4%</b>	<b>1 032</b>	<b>72</b>	<b>7%</b>	<b>1 104</b>	<b>42</b>	<b>4%</b>	<b>1 146</b>
<b>Net profit (loss) for the period</b>	<b>32 040</b>	<b>(118 727)</b>	<b>-371%</b>	<b>(86 687)</b>	<b>(162 991)</b>	<b>188%</b>	<b>(249 678)</b>	<b>179 197</b>	<b>-72%</b>	<b>(70 481)</b>	<b>74 336</b>	<b>-105%</b>	<b>3 855</b>
<b>EBITDA</b>	<b>32 780</b>	<b>(119 766)</b>	<b>-365%</b>	<b>(86 986)</b>	<b>(33 799)</b>	<b>39%</b>	<b>(120 785)</b>	<b>86 449</b>	<b>-72%</b>	<b>(34 336)</b>	<b>56 437</b>	<b>-164%</b>	<b>22 101</b>

The above data comes from the published Financial statements of Trakcja for the years 2017-2021.

The above EBITDA ratio was calculated according to the following formula:

EBITDA = operating profit + depreciation

## **8. The number of granted or offered financial instruments and the main conditions for the exercise of rights from these instruments, including the price and date of exercise and their changes**

In accordance with §3 point 4 of the Remuneration Policy, the Company does not provide for the granting of remuneration in the form of financial instruments to Members of the Management Board and the Supervisory Board. The Company did not grant and did not offer any financial instruments in the year 2021.

## **9. Information on the use of the option to claim the return of variable remuneration components**

In the year 2021, there was no deferral of the payment of variable remuneration components and the option to demand their return was not used.

## **10. Information on deviations from the procedure for implementing the Remuneration Policy and derogations applied in accordance with Article 90f, including an explanation of the rationale and procedure, and an indication of the elements from which the deviations**

In accordance with the Remuneration Policy, derogations from the Policy are possible only if this is necessary for the long-term interests and financial stability of the Company. In the year 2021, due to the lack of premises, the Supervisory Board did not make a decision to depart from the adopted Remuneration Policy.

Warsaw, June 1, 2022

.....  
Dominik Radziwiłł  
Chairman of the Supervisory Board

.....  
Magdalena Komaracka  
Vice-Chairman of the Supervisory Board

.....  
Jorge Miarnau Montserrat  
Vice-Chairman of the Supervisory Board

.....  
Krzysztof Tenerowicz  
Member of the Supervisory Board

.....  
Klaudia Budzisz  
Member of the Supervisory Board

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Julio Alvarez Lopez  
Member of the Supervisory Board

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Miquel Llevat Vallespinosa  
Member of the Supervisory Board