

**REMUNERATION POLICY
FOR MEMBERS OF MENAGEMENT BOARD AND SUPERVISORY BOARD OF
TRAKCJI PRKiI S.A. WITH ITS REGISTERED OFFICE IN WARSAW**

I. GENERAL PROVISIONS

§ 1.

1. This document entitled Remuneration Policy for the members of the Management Board and Supervisory Board of Trakcja PRKiI S.A. with its registered office in Warsaw, hereinafter referred to as the “**Remuneration Policy**” was adopted on the basis of Article 90d of the Act on Public Offering.
2. This remuneration policy has been drawn up taking into account:
 - 1) the provisions of Chapter 4a of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to the Organized Trading System and on public companies (Journal of Laws of 2019, item 623, as amended) - hereinafter referred to as the "Act on Public Offering";
 - 2) provisions of the Act of 15 September 2000. Code of Commercial Companies and Partnerships (Journal of Laws of 2019, item 505, as amended) - in the scope of adopting resolutions on defining the principles and amounts of remuneration of the members of the Management Board and the Supervisory Board;
 - 3) provisions of the Statute of Trakcja PRKiI S.A. (hereinafter also referred to as the "Company"), Regulations of the Supervisory Board and Regulations of the Management Board of the Company.

§ 2.

1. The Remuneration Policy was adopted on the basis of Resolution No. 28 of the Ordinary General Meeting of the Company dated 30 June, 2020 at the request of the Management Board of the Company dated 25 May 2020 and taking into account the positive opinion of the Supervisory Board of the Company dated 25 May 2020.
2. The Company's Management Board is responsible for developing, implementing and updating the Remuneration Policy. In this respect, the responsibilities of the Company's Management Board include, in particular, constant monitoring of the status of the implementation of the Remuneration Policy and immediate proposing changes if required by law, the Company's situation or the market situation.
3. The Supervisory Board of the Company and the Remuneration Committee acting within the framework of the Remuneration Policy are constantly supervised. Detailed rules and procedures of supervision and preparation of reports on the execution of the Remuneration Policy are specified in § 20 of this Policy.
4. The Remuneration Policy is a continuation of the existing activities within the scope of applying in the Company the principles and procedures of remunerating members of the Management Board and the Supervisory Board of the Company, taking into account the motivational elements and mechanisms which depend on the current market situation, taking into account the financial situation of the Company.
5. In the opinion of the Company's Management Board, there are no grounds for abandoning the adoption and application of this Remuneration Policy referred to in Article 90f of the Act on Public Offering, in particular, the application of the provisions of this Policy does not adversely affect the realization of long-term interests and financial stability of the Company.

§ 3.

1. The Remuneration Policy, as a strategic document, is a part of the overall strategy of the Company's operations and it contributes to the achievement of its strategic objectives, subject to § 4.
2. Taking into account paragraph 1, the Remuneration Policy sets out the principles and procedures for shaping the remuneration of the Management Board and Supervisory Board members, including in particular:
 - 1) the legal basis for payment of remuneration to members of the Management Board and the Supervisory Board of the Company;
 - 2) fixed and variable components of remuneration and other non-monetary benefits that may be granted to members of the Management Board and Supervisory Board of the Company;
 - 3) mutual proportions of the remuneration components referred to in point 2;
 - 4) explanation of how the working and pay conditions of employees of the Company other than members of the Management Board and the Supervisory Board have been taken into account when establishing this Remuneration Policy;
 - 5) the period for which the agreements constituting the basis for payment of remuneration to members of the Company's Management Board are concluded, and indication of the periods, conditions and legal effects of termination of these agreements, and, if no agreement is concluded, indication of the type and period for which the legal relationship between a member of the Management Board or Supervisory Board and the Company was established, as well as the period and conditions of termination of this legal relationship;
 - 6) description of measures taken to avoid or manage conflicts of interest related to the Remuneration Policy.
3. Notwithstanding section 2, the Remuneration Policy sets out the rules and procedures for granting variable remuneration and additional benefits to members of the Company's Management Board, including in particular:
 - 1) criteria for awarding variable remuneration components;
 - 2) methods of verification and assessment of the fulfilment of the criteria referred to in point 1;
 - 3) explanation of the manner in which the criteria referred to in point 1 contribute to the achievement of the objectives set out in § 4;
 - 4) the principles of payment and the possibility for the Company to demand reimbursement of variable remuneration components.
4. 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.
5. 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.

II. IMPLEMENTATION OF THE COMPANY'S STRATEGIC PURPOSES

§ 4.

1. The Remuneration Policy contributes to the implementation of the current business strategy and long-term interests of the Company, as well as aims to ensure the stability of the Company's

- enterprise, taking into account the industry and market environment in which the Company operates.
2. Taking into account the specificity of the industry and markets on which the Company operates, characterized by variability and instability, the Company does not adopt a formalized long-term business strategy and long-term financial forecasts, due to their rapid obsolescence and the need for constant changes.
 3. Taking into account section 1 and 2 above, the Remuneration Policy will also be subject to constant monitoring and updating to the extent necessary, taking into account the current financial situation and the stability of the Company's business operations, provided, however, that the superior objective of the Remuneration Policy is to guarantee the stability of remuneration and its motivational character.
 4. The Remuneration Policy contributes to the achievement of the objectives set out above by creating a competitive, motivating and stable system of remuneration for the members of the Management Board and Supervisory Board of the Company, related to the security and financial stability of the Company. The variable part of the remuneration depends on the financial results achieved by the Company, and the fixed part guarantees the stability of the functioning of the Company's Management Board and Supervisory Board.
 5. The objective referred to in section 4 is also achieved through a special construction of the management services contract referred to in § 7, which guarantees stability and security of operations for members of the Company's Management Board, but at the same time protects the Company's interests in the event of undue performance of responsibilities by individual Management Board members.
 6. The model and amount of remuneration of the Members of the Company's Management Board and Supervisory Board takes into account the general principles and amount of remuneration of the Company's employees, the aim of which is to attract competent and qualified personnel. In this respect, the Company applies market standards and measures of remuneration, and the remuneration regulations in force in the Company require the opinion of the Company's Supervisory Board in this respect.

III. PRINCIPLES OF THE REMUNERATION OF MEMBERS OF THE COMPANY'S BOARD

§ 5.

General principles

1. The principles and amount of remuneration of the Members of the Company's Management Board shall be determined by the Company's Supervisory Board, pursuant to Art. 16.2.2 of the Company's Articles of Association.
2. The remuneration of the Management Board members is determined and paid exclusively in accordance with this Remuneration Policy.
3. Subject to § 4 section 3 of the Regulations of the Supervisory Board, taking into account the previous opinion of the Remuneration Committee, the Supervisory Board, when determining the remuneration of the members of the Management Board of the Company, shall include its motivational character and ensure effective and fluent management of the Company. Remuneration determined for the members of the Management Board of the Company is adequate to the size and economic results of the Company, and is related to the scope of responsibility resulting from the function performed and takes into account the level of remuneration of the members of the Management Board in similar companies on a comparable market.

4. Subject to the section 5, the Company has adopted a mixed remuneration model, which provides that a Member of the Management Board of the Company receives remuneration for the purpose:
 - 1) appointment to the Company's Management Board and performance of the function of a Member of the Management Board, and
 - 2) providing management services to the Company, on the basis of an agreement concluded with the Company.
5. 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, than is entitled to obtain exclusively remuneration mentioned in sec. 4 point 1.

§ 6

Remuneration for the performance of the function of the Member of the Management Board

1. Under the appointment to the Company's Management Board and performance of the function of the member of the Company's Management Board, shall be entitled only to a fixed monthly remuneration, the amount of which shall be determined by the Company's Supervisory Board in a resolution on determining the amount of remuneration for a member of the Company's Management Board, adopted in the procedure referred to in § 5.1. The amount of this remuneration component is up to 50 % of the total monthly remuneration of the Company's Management Board member, subject to § 5 sec. 5.
2. The remuneration referred to in section 1 shall be payable exclusively for the period of performing the function of a member of the Company's Management Board.

§ 7.

Remuneration for the provision of management services.

Management Contract

1. Notwithstanding § 6, in connection with the appointment of a member of the Company's Management Board, an agreement for the provision of management services (management contract) shall be concluded with a member of the Company's Management Board, the model of which shall be determined by the Supervisory Board, specifying in particular:
 - 1) a position in the organizational structure of the Company, as defined in the Regulations of the Management Board, adequate to the function of a member of the Management Board;
 - 2) the scope of duties and responsibilities of a member of the Management Board within the management services provided to the Company,
 - 3) the components, amount and rules for payment of remuneration for the services provided;
 - 4) rules for granting additional benefits;
 - 5) the scope of the ban on conducting competitive activity towards the Company;
 - 6) the duration and terms and conditions of contract termination.
2. The remuneration for the provision of management services referred to in section 1 point 3 consists of:
 - 1) fixed part (basic salary),
 - 2) a variable part (annual bonus) – comprising two elements, one of which depends on the Company's financial result 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.
3. Notwithstanding section 2, additional non-monetary benefits may be granted to members of the Management Board for the provision of management services to the Company.
4. In order to achieve the set individual annual objectives, a Member of the Management Board of the Company may not undertake actions contrary to the law or the interest of the Company.

§ 8.

Basic remuneration

1. The amount of basic remuneration for the provision of management services is determined individually for each Member of the Management Board, by way of a resolution of the Supervisory Board of the Company, preceded by an opinion of the Remuneration Committee, taking into account the qualifications and professional experience of the appointed Member of the Management Board, the nature of the position in which he is to be employed, the scope of duties and responsibilities in the given position, as well as the situation on the local labour market, in such a way that the level of remuneration does not encourage excessive risk-taking in order to obtain a variable remuneration component.
2. The method and dates of payment of remuneration are specified in detail in the management contract.
3. The basic remuneration is due for the period of providing management services, including the period of notice of termination of the managerial contract, in accordance with the provisions of § 14 of this Remuneration Policy.
4. The managerial contract specifies the periods of exemption of a member of the management board from the obligation to provide management services, related to illness or rest break, for which the basic remuneration is due, taking into account the market standards in force in this respect.

§ 9.

Variable remuneration

1. 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.
2. The amounts and principles of granting and paying variable remuneration to each Member of the Management Board shall be determined by the Supervisory Board.
3. 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.

§ 10.

Annual bonus related to the financial result

1. The annual bonus, referred to in § 9 section 1 point 1, is entitled on condition that the Company achieves a positive financial result and is determined on the basis of the coefficient of planned EBITDA obtained from the consolidated financial result of the Trakcja Group.
2. The bonus referred to in section 1 shall be paid by 15 April of the year following the financial year to which the EBITDA ratio included in the consolidated financial statements of the Trakcja Group applies.
3. When calculating the bonus referred to in par. 1, account is taken of the planned EBITDA ratio set out in the annual consolidated budget of the Trakcja Group approved by the Supervisory Board of the Company and the EBITDA ratio achieved resulting from the annual consolidated financial statements of the Trakcja Group approved by a certified auditor.

§ 11.

Annual bonus on account of realization of individual annual targets

1. The annual bonus, referred to in § 9 section 1 point 2, shall be granted for the achievement of individual managerial objectives set for a given financial year by the Supervisory Board or a member of the Supervisory Board indicated by the Supervisory Board by 30 March of a given year.
2. Within the framework of individual managerial goals, individual members of the Management Board are appointed to five goals, the performance or degree of performance of which determines the right to payment and the amount of the annual bonus referred to in par. 1.
3. When setting managerial targets, account shall be taken:
 - 1) financial criteria, in particular:
 - a) execution of the Company's financial plan (budget), 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,
 - b) 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.
4. Together with setting individual managerial objectives, the criteria for verifying their achievement and a certain equal point or monetary value is assigned, as well as the maximum amount of the annual bonus is defined, subject to sec. 5 below.
5. Fulfillment of all managerial objectives 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.
6. The verification of the realization of individual managerial goals for a given financial year is carried out by the Supervisory Board or a designated member of the Supervisory Board of the Company, preparing by 30 March of the following year, a written report which is the basis for the payment of the annual bonus referred to in section 1.

§ 12.

1. The variable components of the remuneration referred to in § 9 section 1 shall be vested in members of the Management Board who have already served as a member of the Company's Management Board within the deadline set for setting individual annual objectives, i.e. on 30 March of a given year.
2. In case of termination of the function of a Management Board member during a financial year, a Management Board member is entitled to variable remuneration if he or she held the function and was employed under a managerial contract in the Company for at least 6 months. In such a case,

the variable remuneration is entitled proportionally to the period of holding the position of a Management Board member.

§ 13.

Non-monetary benefits

1. Irrespective of the cash remuneration, taking into account the applicable market standards in this respect, as well as the scale and specificity of the Company's operations, in connection with the performance of the function of a member of the Management Board, the following non-monetary benefits are due:
 - 1) the right to dispose, at the Company's expense, of a premium class company car (segment E), both for business and private purposes, provided that the amount provided for in the Company's internal regulations will be deducted from the remuneration for the use of the company car for private purposes;
 - 2) The right to use, at the Company's expense, a personal computer and other electronic devices (e.g. telephone, ipad).
2. The rights referred to in paragraph 1 shall expire upon termination of the managerial contract.
3. The Company undertakes to cover the costs connected with taking up a medical care package for a member of the Management Board under the rules binding in the Company for members of the Management Board.
4. A Member of the Management Board is also entitled to receive reimbursement of justified expenses incurred in connection with the performance of duties resulting from the function performed, including costs of business trips, on the principles binding in the Company.
5. The Supervisory Board can grant to the Member of the Board within the managerial contract other non-monetary benefits, including the circumstances of the individual case and market standards.

§ 14.

Benefits on account of expiration of the function and termination of the management contract

1. Bearing in mind the premises specified in § 5 section 3, including in particular the need to ensure stability and continuity of the Company's operations, but at the same time to protect the Company's interests in the event of a member of the Management Board performing his duties improperly, the management contract provides for conditions concerning the period for which it is concluded and the possibility and consequences of its termination.
2. The contract shall be concluded for the period of time established in the contract, including the individual circumstances, or for the indefinite period of time or for the period of term of office.
3. A member of the Management Board is entitled to terminate the contract including the term of notice agreed in the contract, effective at the end of a calendar month.
4. In case of expiration of the mandate and failure to appoint for the next term, and termination of the contract for this reason, a member of the Management Board of the Company shall be entitled to receive additional remuneration as redundancy fee in the amount agreed in the contract.
5. the Company has the right to terminate the Contract with a notice period agreed in the contract, including the market standards.
6. The contract may be terminated by the Company with immediate effect in case of:
 - 1) breach of the obligations specified in the contract due to gross negligence or intentional fault,
 - 2) violation of the ban on competitive activity towards the Company, confidentiality and loyalty towards the Company,

- 3) committing, during the term of the contract, a punishable act that exposes a member of the Management Board or the Company to loss of reputation;
7. In case where the Company finds circumstances referred to in section 6 which justify immediate termination of a contract due to a gross and culpable breach of duties or a prohibited act, the Company's Supervisory Board, before making a decision to terminate a contract, shall conduct proceedings to clarify such circumstances and remove such breaches. If the breaches are not remedied within the prescribed time limit, or if the submitted explanations are deemed insufficient, the contract shall be immediately terminated.
8. The managerial contract may be terminated by a member of the Management Board with immediate effect if the Company is in arrears with payment of the basic remuneration, provided that the Company is called upon to pay and an additional period of at least 14 days is set for this purpose. In such a case the Member of the Management Board shall be entitled to receive additional remuneration in the amount provided for in the contract.

IV. AVOIDANCE OF CONFLICTS OF INTEREST. PROHIBITION OF COMPETITION

§ 15.

Conflict of interest

1. In order to avoid possible conflicts of interest related to the Remuneration Policy, a member of the Management Board, in accordance with the provisions of the managerial contract, is obliged to perform his duties in accordance with the highest standards of business ethics, free from any personal or private benefits that may influence his decisions, and in the best interest of the Company.
2. A member of the Company's Management Board is also obliged to avoid situations which may cause a conflict between his or her obligations towards the Company and his or her personal interests. If a member of the Management Board decides to take actions which lead or may lead to a conflict of interest, he or she is obliged to disclose such actions and the potential conflict in writing to the Company and obtain the Company's consent before taking such actions.
3. The breach of the obligations referred to above constitutes a material breach of the provisions of the managerial contract, which may result in its immediate termination in accordance with the provisions of §14 of this Remuneration Policy.

§ 16.

Prohibition of competition

1. A member of the Management Board, with a view to protecting the Company's interests, pursuant to the provisions of the Code of Commercial Companies and Partnerships, the Company's Articles of Association, as well as under the provisions of the managerial contract, is obliged to refrain from conducting activities competitive to the Company, during the term of office. The contract may provide the prohibition of competition in the designated period after the termination of the function of a member of the Management Board and the expiry of the managerial contract, for accepted remuneration.
2. The detailed scope of the non-competition clause, its duration and sanctions for infringement are specified in the managerial contract and in separate legal regulations.
3. The breach of the non-competition clause constitutes a significant breach of the provisions of the managerial contract, which may result in its immediate termination in accordance with the provisions of § 14 of this Remuneration Policy.

V. PRINCIPLES OF THE REMUNERATION OF SUPERVISORY BOARD MEMBERS

§ 17.

Remuneration principles

1. Taking into account the special role of the Supervisory Board in the functioning of the Company, as well as bearing in mind the scope of duties and responsibilities of the members of the Supervisory Board of the Company, remuneration is provided for the performance of functions and duties of a member of the Supervisory Board of the Company and for the performance of functions and duties in the committees functioning within the Supervisory Board, taking into account market standards for similar public companies.
2. The model of remuneration of members of the Supervisory Board includes fixed remuneration for the function performed. No separate agreement concerning the provision of services for the Company is concluded with members of the Supervisory Board.
3. Taking into account art. 392 § 1 and 3 of the Commercial Companies Code and § 16 of the Regulations of the Company's Supervisory Board, the remuneration for the members of the Company's Supervisory Board is determined by the General Assembly.
4. The salary is paid monthly. Information on the total amount of remuneration of all members of the Supervisory Board, as well as on the amount of remuneration of each member individually, is disclosed in the annual report of the Partnership.
5. Members of the Supervisory Board delegated to permanent individual supervision and members of the Supervisory Board temporarily delegated to perform the activities of the Management Board shall receive a separate remuneration, the amount of which shall be determined by the General Meeting.
6. The Supervisory Board members shall be entitled to reimbursement of costs related to their participation in the Board's works.
7. The remuneration granted to the Members of the Supervisory Board shall vary depending on the function performed in the Supervisory Board or the Supervisory Board committee.

§ 18.

Other requirements for Supervisory Board members

In order to avoid possible conflicts of interest related to the Remuneration Policy, members of the Supervisory Board are obliged to comply with the requirement of independence, in accordance with the provisions of the Statute and separate regulations.

VI. PENSION AND EARLY RETIREMENT SCHEME

§ 19.

The Company does not provide for any special benefits or pension schemes for members of its Management Board or Supervisory Board.

VII. REMUNERATION REPORT

§ 20.

1. The Company's 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.
2. The Report is prepared by the Board's Remuneration Committee and then adopted by the Board in the form of a resolution.
3. The report is an element of the Company's financial reporting and is directed by the Supervisory Board to the Ordinary General Meeting of Shareholders of the Company for an opinion, provided that the resolution of the General Meeting of Shareholders in this matter is of an advisory nature.
4. Before the adoption by the Company's Supervisory Board, the Report shall be reviewed by a certified auditor to include the information required under Art. 90g paragraphs 1 – 5 and 8 of the Act on Public Offering.
5. Members of the Supervisory Board are responsible for the information contained in the Report.
6. The detailed scope of the Report is defined in art. 90g of the Act on Public Offering.
7. The Report shall be published on the Company's website and shall be made available free of charge for at least 10 years from the end of the General Meeting at which it was issued.

VIII. AUTHORIZATION FOR THE SUPERVISORY BOARD OF THE COMPANY

§ 21.

In accordance with Article 90d sec. 7 of the Act on Public Offering, in the scope not regulated in this Remuneration Policy, the General Meeting of the Company authorizes the Company's Supervisory Board to make it more specific, with regard to:

- 1) description of fixed and variable components of remuneration, as well as bonuses and other cash and non-cash benefits which may be granted to members of the Management Board,
- 2) the definition of criteria relating to financial and non-financial performance for the award of variable components of remuneration, including, in particular, criteria relating to the consideration of social interests, the company's contribution to the protection of the environment and the taking of measures aimed at preventing and eliminating negative social impacts of the company's activities;
- 3) the possibility to set deferral periods and the possibility for the company to claim variable remuneration.

IX. TRANSITIONAL AND FINAL PROVISIONS

§ 22.

1. At least every four years, the Company's Supervisory Board shall review the principles set forth in the Remuneration Policy and recommend appropriate changes to the General Meeting of the Company in this respect, taking into account in particular the market situation, including the situation on the labour market, as well as the Company's financial standing.

2. Notwithstanding section 1, a significant change in the Remuneration Policy shall require its adoption, by way of a resolution, by the General Meeting. Other changes, including in particular changes in order or additions, which do not significantly interfere with the Remuneration Policy, subject to § 21, may be made by the Company's Supervisory Board.
3. Within 3 months from the date of adoption of this Remuneration Policy, the Management Board and the Supervisory Board of the Company shall take actions to adjust internal legal acts and management contracts of the Management Board members in order to adjust them to the requirements of the Remuneration Policy.
4. The first Report referred to in § 20 shall be prepared by the Company's Supervisory Board in 2021 for the years 2019 and 2020.
5. This Remuneration Policy and the resolution of the General Meeting of the Company on its adoption, together with the date of its adoption and the results of voting, shall be published on the Company's website. These documents shall remain available at least as long as they are applicable.
6. The provisions of section 5 shall apply mutatis mutandis in the event of an amendment to the Remuneration Policy and in the event that the Supervisory Board adopts resolutions on the matters referred to in § 21 and section 1 above.
7. In the event of the Company's name is changed from the current one "Trakcja PRKiL Spółka Akcyjna" to "Trakcja Spółka Akcyjna", the Management Board is entitled to adjust Remuneration Policy and to announce it, according to the section 5.
8. To the extent not regulated by the Remuneration Policy, other internal regulations binding in the Company and acts of generally applicable law, including the Act on Public Offering, shall apply.