

## Appendix to the current report No 7/2020

### RESOLUTION No 1

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the election of the Chairman of the Meeting.

The following is resolved:

#### Article 1

It is resolved to elect Mr. Andrzej Motyka as the Chairman of the Meeting.

#### Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----  
- 43,876,938 valid votes were cast in favour of the resolution,-----  
- 6,356,799 valid votes were cast against, -----  
- no abstaining votes were cast.

### RESOLUTION No 2

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the adoption of the agenda.

The following is resolved:

#### Article 1

It is resolved to adopt the following agenda:

1. Opening of the Ordinary General Meeting.
2. Election of the Chairman of the Ordinary General Meeting.
3. Confirmation of the proper convocation of the Ordinary General Meeting and its ability to adopt resolutions.
4. Election of a three-person Returning Committee.
5. Adoption of a resolution on adopting the agenda.
6. Consideration and approval of the following by passing resolutions:
  - Company's financial statements for the financial year 2019;

- consolidated financial statements of the PEPEES Capital Group for the financial year 2019;
- the report on the activities of the PEPEES Capital Group for the financial year 2019 (including the disclosures required for the Management Board's Report on the activities in the aforementioned period);
- the report of the Supervisory Board on the evaluation of the individual financial statements of the Company and the consolidated financial statements of the PEPEES Capital Group for the financial year 2019 and the report of the Management Board on the activities of the PEPEES Capital Group and "PEPEES" S.A. for 2019;
- the report on the activities of the Supervisory Board of the Company for the financial year 2019;
- allocation of net profit for the financial year 2019.

7. Adoption of resolutions in the following matters:

- acknowledgement of the fulfilment of duties by Members of the Company's Management Board in the financial year 2019;
- acknowledgement of the fulfilment of duties by Members of the Company's Supervisory Board in the financial year 2019.

8. Adoption of a resolution on the Remuneration Policy.

9. Closing of the Meeting.

## Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----  
 - 43,876,938 valid votes were cast in favour of the resolution,-----  
 -----  
 - 6,356,799 valid votes were cast against, -----  
 - no abstaining votes were cast.

## RESOLUTION No 3

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the consideration and approval of the financial statements of the Company for the period from 01.01.2019 to 31.12.2019.

Pursuant to Art. 393 point (1) and Art. 395(2)(1) of the Commercial Companies Code in conjunction with Art. 53(1) of the Accounting Act of 29.09.1994 (Journal of Laws of 1994 No. 121, item 591 as amended), it is resolved as follows:

## Article 1

It is resolved to approve the financial statements of "PEPEES" S.A. for the year 2019, which comprise:

1. the statement of financial position drawn up as at 31.12.2019, showing total assets and liabilities of PLN **275,662** thousand (in words: two hundred seventy-five million six hundred sixty-two thousand zloty),
2. the statement of comprehensive income for the period from 01.01.2019 to 31.12.2019 showing a net profit of PLN **19,182** thousand (in words: nineteen million one hundred eighty-two thousand zloty) and a total positive income of PLN **19,143** thousand (in words: nineteen million one hundred forty-three thousand zloty),
3. statement of changes in equity, showing an increase in equity by the amount of: PLN **7,743** thousand (in words: seven million seven hundred forty three thousand zloty),
4. the cash flow statement showing an increase in net cash during the financial year 2019 by PLN **6,295** thousand (in words: six million two hundred and ninety-five thousand zloty),
5. additional information on the adopted accounting principles and other explanatory notes to the financial statements.

The above documents have been prepared correctly, in accordance with the applicable laws.

## **Article 2**

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## **RESOLUTION No 4**

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the consideration and approval of the financial statements of the PEPEES Capital Group for the period from 01.01.2019 to 31.12.2019.

Pursuant to Art. 395(5) of the Commercial Companies Code, it is resolved as follows:

## **Article 1**

It is decided to approve the consolidated financial statements of the PEPEES Capital Group for 2019, which comprise

1. the consolidated statement of financial position drawn up as at 31.12.2019, showing total assets and liabilities of PLN **363,622** thousand (in words: three hundred and sixty-three million six hundred and twenty-two thousand zloty),

2. the consolidated statement of comprehensive income for the period from 01.01.2019 to 31.12.2019 showing net profit in the amount of: PLN **24,782** thousand (in words: twenty four million seven hundred eighty two thousand zloty), including net profit due to shareholders of the parent company in the amount of PLN **24,091** thousand (in words: twenty four million ninety one thousand zloty) and total net income due to shareholders of the parent company in the amount of PLN **24,052** thousand (in words: twenty four million fifty two thousand zloty),
3. the consolidated statement of changes in equity for the period from 01.01.2019 to 31.12.2019, showing an increase in equity of PLN **14,065** thousand (in words: fourteen million sixty-five thousand zloty),
4. the consolidated cash flow statement for the period from 01.01.2019 to 31.12.2019 showing an increase in net cash by PLN **1,162** thousand (in words: one million one hundred and sixty-two thousand zloty),
5. additional information on the adopted accounting principles and other explanatory notes.

The above documents have been prepared correctly, in accordance with the applicable laws.

## Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 5

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on consideration and approval of the report of the Management Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. on the activities of the PEPEES Capital Group for 2019 (including the disclosures required for the Management Board's report on the activities in the aforementioned period).

Pursuant to Art. 395(5) of the Commercial Companies Code, it is resolved as follows:

## Article 1

It is resolved to approve the Management Board Report of "PEPEES" S.A. on the activities of the PEPEES S.A. Capital Group for 2019 (including the disclosures required for the Management Board's Report on the activities in the aforementioned period).

## Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

### **RESOLUTION No 6**

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on consideration and approval of the report of the Supervisory Board on the evaluation of the individual financial statements of the Company and the consolidated financial statements of the PEPEES Capital Group for the financial year 2019 and the report of the Management Board on the activities of the PEPEES Capital Group and of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. for 2019.

Pursuant to Art. 395(5) of the Commercial Companies Code, it is resolved as follows:

#### **Article 1**

It is resolved to approve the report of the Supervisory Board on the evaluation of the individual financial statements of the Company and the consolidated financial statements of the PEPEES Capital Group for the financial year 2019 and the report of the Management Board on the activities of the PEPEES Capital Group and of "PEPEES" S.A. Company for 2019.

#### **Article 2**

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

### **RESOLUTION No 7**

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on consideration and approval of the report of the Supervisory Board on its activities as a body of the Company for the financial year 2019.

Pursuant to Art. 395(5) of the Commercial Companies Code, it is resolved as follows:

#### **Article 1**

It is resolved to approve the report of the Supervisory Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" Spółka Akcyjna with its registered office in Łomża on the activities of the Supervisory Board as a body of the Company for the financial year 2019.

## Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 8

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the allocation of the net profit of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. for the financial year 2019.

Pursuant to Art. 348(1), Art. 348(4) and Art. 395(2)(2) of the Code of Commercial Companies, it is resolved as follows:

### Article 1

Acting pursuant to Art. 395(2)(2) of the Commercial Companies Code, the General Meeting allocates profit for the financial year 2019 in the amount of PLN 19,181,930,51 (in words: nineteen million one hundred and eighty-one thousand nine hundred and thirty zloty and fifty-one grosz) in such a way that part of the profit, i.e. the amount of PLN 11,400,00 (in words: eleven million four hundred thousand zloty), is allocated for the payment of dividend in the amount of PLN 0.12 (in words: twelve grosz) per share, and the rest of the profit in the amount of PLN 7,781,930,51 (in words: seven million seven hundred eighty-one thousand nine hundred thirty zloty fifty-one grosz) is allocated to the Company's supplementary capital.

### Article 2

1 July 2020 is set as the date on which the list of shareholders eligible for dividend referred to in Art. 1(1) above (the dividend day) is established. 31 July 2020 is set as the date of dividend payment.

### Article 3

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 42.102.456 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- 1,774,482 valid votes abstained.

## RESOLUTION No 9

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 regarding the acknowledgement of the fulfilment of duties by the President of the Management Board of the Company for the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

#### **Article 1**

Mr **Wojciech Faszczewski** is hereby acknowledged as having fulfilled his duties as the President of the Management Board of the Company in the financial year 2019 from 01.01.2019 to 31.12.2019.

#### **Article 2**

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 49,532,737 votes were validly cast, -----
- 43,175,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

#### **RESOLUTION No 10**

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 regarding the acknowledgement of the fulfilment of duties by the Member of the Management Board of the Company for the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

#### **Article 1**

Mr **Tomasz Rogala** is hereby acknowledged as having fulfilled his duties as the Member of the Management Board of the Company in the financial year 2019 from 01.01.2019 to 31.12.2019.

#### **Article 2**

The resolution shall enter into force on the date of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 49,532,737 votes were validly cast, -----
- 43,175,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 11

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on acknowledgement of the fulfilment of duties by the Chairman of the Supervisory Board of the Company for the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

### Article 1

Mr **Maciej Kaliński** is hereby acknowledged as having fulfilled his duties as the Chairman of the Supervisory Board of the Company in the financial year 2019 from 01.01.2019 to 31.12.2019.

### Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 12

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 regarding the acknowledgement of the fulfilment of duties by the Vice-Chairman of the Supervisory Board of the Company for the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

### Article 1

Mr **Tomasz Nowakowski** is hereby acknowledged as having fulfilled his duties as the Vice-Chairman of the Supervisory Board in the financial year 2019 from 01.01.2019 to 31.12.2019.

### Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.



## RESOLUTION No 13

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on acknowledgement of the fulfilment of duties by the Secretary of the Supervisory Board in the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

### Article 1

Mr **Robert Malinowski** is hereby acknowledged as having fulfilled his duties as the Secretary of the Supervisory Board of the Company in the financial year 2019 from 1 January 2019 to 31 December 2019.

### Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 14

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the acknowledgement of the fulfilment of duties by the Member of the Supervisory Board in the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

### Article 1

Mr. **Piotr Marian Tarach** is hereby acknowledged as having fulfilled his duties as a Member of the Supervisory Board of the Company in the financial year 2019 from 01.01.2019 to 31.12.2019.

### Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 15

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the acknowledgement of the fulfilment of duties by the Member of the Supervisory Board of the Company for the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

### Article 1

Mr **Krzysztof Stankowski** is hereby acknowledged as having fulfilled his duties as the Member of the Supervisory Board of the Company in the financial year 2019 from 01.01.2019 to 31.12.2019.

### Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## RESOLUTION No 16

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the acknowledgement of the fulfilment of duties by the Member of the Supervisory Board of the Company for the financial year 2019.

Pursuant to Art. 395(2)(3) of the Commercial Companies Code, it is hereby resolved as follows:

### Article 1

Ms **Agata Czerniakowska** is hereby acknowledged as having fulfilled her duties as a Member of the Supervisory Board of the Company in the financial year 2019 from 01.01.2019 to 31.12.2019.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.

## **RESOLUTION No 17**

of the Ordinary General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. with its registered office in Łomża of 21 April 2020 on the adoption of the Remuneration Policy

Pursuant to Art. 395(5) of the Commercial Companies Code and Art. 90d(1) of the Act of 29 July 2005 on public offering and the conditions for admitting financial instruments to the regulated system of trading and on publicly traded companies, it is hereby resolved as follows:

### **Article 1**

The following Remuneration Policy is adopted:

#### **"REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO "PEPEES" S.A.**

The condition for the implementation of the strategy and for the development of Przedsiębiorstwo Przemysłu Spożywczego "Pepees" S.A., including the short- and long-term growth of the Company's value and stability of the Company's operations, is to ensure the engagement of the best managers to act as members of the Company's Management Board and the Supervisory Board.

### **I. GENERAL PROVISIONS**

#### **Article 1**

1. The Remuneration Policy for members of the Management Board and the Supervisory Board of Przedsiębiorstwo Przemysłu Spożywczego "Pepees" S.A. (hereinafter: "**Pepees**" or the "**Company**") defines the principles of remuneration of members of the Company's collective bodies, i.e. members of the Management Board and the Supervisory Board.
2. This Remuneration Policy is aimed to:
  - a) lay down the principles of remuneration of the members of the Company's collegial bodies in such a way as to contribute to the implementation of the business strategy, long-term interests and to the achievement of the Company's business objectives and its stability;
  - b) establish a remuneration system, based on transparent rules for its determination and the criteria of Company's financial and non-financial performance, which will ensure competitive remuneration terms corresponding to the market situation;
  - c) provide the shareholders with an effective influence on the remuneration policy;
  - d) define the criteria of corporate social responsibility, taken into account in the development and implementation of the Remuneration Policy;
  - e) define the procedure for implementing, reviewing and amending the Remuneration Policy;
  - f) prevent conflicts of interest.
3. The Remuneration Policy has been drawn up based on:

- a) Act of 29 July 2005 on public offering and the conditions for admitting financial instruments to the regulated system of trading and on publicly traded companies ("the **Act**");
- b) 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;
- c) Best Practices of WSE (Warsaw Stock Exchange) Listed Companies 2016;
- d) The Company's Articles of Association (the "**Articles of Association**").

## II. ADOPTION AND AMENDMENT OF THE REMUNERATION POLICY

### Article 2

- 1. The Management Board of the Company is responsible for the preparation, implementation and execution of the Remuneration Policy and of amendments thereto.
- 2. The Supervisory Board gives its opinion on the draft Remuneration Policy, which is then adopted by means of a resolution of the General Meeting. Amendments to the Remuneration Policy are made under the same procedure.
- 3. The General Meeting may authorise the Supervisory Board to further detail specific principles and provisions of the Remuneration Policy, including the following:
  - a) the rules for determining and granting fixed and variable remuneration components and their amounts, as well as bonuses and other cash and non-cash benefits;
  - b) terms and criteria for awarding variable remuneration components, participation in incentive and bonus schemes;
  - c) criteria for taking into account social interests, for Company's contribution to environmental protection and taking actions aimed to prevent and eliminate negative social effects of the Company's operations;
  - d) determining the deferral periods for payment of variable remuneration components and the possibility for the company to reclaim such remuneration;
  - e) determining the periods in which members of the Management Board of the Company acquire the right to remuneration in the form of financial instruments, including the rules for their disposal.

## III. ASSUMPTIONS OF THE REMUNERATION POLICY

### Article 3

- 1. The level of remuneration of the members of the Management Board and of the Supervisory Board should enable the Company to attract and properly motivate people with the highest competence to manage the Company in a manner contributing to the achievement of its economic and financial objectives, as well as to proper supervision over the Company. The level of remuneration should correspond to the scope of tasks and responsibilities of individual persons, as well as to their competences and experience.

2. Introduction of an incentive scheme, which would make the amount of the bonus dependent on the Company's financial performance, is aimed at maintaining the highest level of engagement of the Management Board members in the achievement of the Company's business objectives, as well as ensuring the commonality of business objectives of the Company and of the Management Board members.
3. The Remuneration Policy takes into account the principle of ensuring the competitiveness of remuneration in relation to the level of remuneration offered in equivalent positions in the food sector and in companies with a similar business profile.
4. When determining the amount of remuneration for the Management Board members, the Supervisory Board should take into account both the scope of duties and responsibilities related to the performance of the function of the Management Board member and the qualifications and experience of the Management Board member. Furthermore, it should take into account the level of remuneration of management board members in other entities operating in the food sector and in companies with a similar business profile.
5. The rules for taking into account the work and pay conditions of the Company's employees other than the Management Board members are implemented by establishing the terms of remuneration determining the structure and level of remuneration of the Company's employees and the remuneration components, whose granting and amount depend on the Company's performance and on the degree of implementation of individual objectives by employees. Besides, it is possible to introduce an incentive scheme, including a programme based on the Company's financial instruments, which will introduce common economic objectives for the Company, members of the Management Board and the managerial staff.
6. The Remuneration Policy takes into account the objectives related to the corporate social responsibility, activities undertaken by the Company for the protection of the environment as well as for the prevention and elimination of negative effects of the Company's social activity. As part of its commitment to corporate social responsibility, the Company may:
  - 6.1. verify whether its activity has a negative impact on the environment, take corrective actions, support initiatives for environmental protection and limit the negative impact on the environment;
  - 6.2. examine the negative social effects resulting from the Company's activities, and then take initiatives to minimise such effects.
7. During the preparation, implementation and periodic reviews of the Remuneration Policy, the Company implements the rules to prevent conflicts of interest related to the Remuneration Policy as well as the rules for managing such conflicts. The Remuneration Policy is established in cooperation with the Company's collegial bodies, i.e. the Management Board, the Supervisory Board and the General Meeting.
8. The Supervisory Board periodically reviews the principles of remuneration of the Management Board members and takes them into account when determining the amount of remuneration and granting additional benefits to individual members of the Management Board. The Supervisory Board may propose amendments to the Remuneration Policy.
9. The Company's Management Board periodically analyses the implementation of the

Remuneration Policy and presents proposals for changes to the Supervisory Board.

10. The Remuneration Policy and its implementation are subject to the review by the Supervisory Board presented in the annual Report submitted to the annual General Meeting. The General Meeting adopts the Remuneration Policy and its amendments. The annual General Meeting provides its opinion on the Report in the form of a resolution.

#### IV. THE RULES GOVERNING THE EMPLOYMENT OF THE MEMBERS OF THE COMPANY'S BODIES

##### Article 4

1. Unless the Supervisory Board decides otherwise due to special circumstances, the Company employs members of the Management Board based on managerial contracts concluded for the period of mandate until its expiry or until the end of the term of office of a member of the Management Board, unless a person concerned is re-elected as a member of the Management Board. Detailed information on the terms and conditions of employment of the Management Board members is contained in **Appendix No 1** to this Remuneration Policy.
2. A resolution of the Supervisory Board may provide for the introduction to the managerial contract of remuneration for the time of non-performance of the duties of a member of the Management Board in a calendar year, the remuneration for refraining from the competitive activity after the end of the term of office of a Management Board member or the reimbursement of expenses associated with the performance of the function.
3. Members of the Supervisory Board are not employed by the Company. The remuneration of the members of the Supervisory Board is determined by the General Meeting. The members of the Supervisory Board are appointed for a joint three-year term of office, but the mandates of the members of the Supervisory Board expire not later than the date of the ordinary General Meeting approving the financial statements of the Company for the last full financial year during which they performed their functions. The members of the Supervisory Board may be removed from office at any time by the General Meeting.

#### V. THE RULES GOVERNING THE REMUNERATION OF THE MEMBERS OF THE COMPANY'S BODIES

##### Article 5

1. The remuneration is determined and paid in accordance with this Remuneration Policy.
2. Separate remuneration rules apply to members of the Company's Management Board and Supervisory Board.
3. The remuneration of the members of the Company's Management Board consists of fixed remuneration, variable remuneration (bonus) and additional benefits.
4. The remuneration of the Supervisory Board members consists of fixed remuneration determined at a monthly rate and additional benefits.

## Article 6

1. The Supervisory Board determines by means of a resolution the amount of the Fixed Remuneration of the members of the Company's Management Board, taking into account the qualifications, experience, scope of duties and responsibilities of a member of the Management Board as a body of a listed company and the need to ensure a competitive level of remuneration.
2. The General Meeting determines by means of a resolution the amount of the remuneration of the Supervisory Board members. The General Meeting determines the amount of the remuneration of the Supervisory Board members, depending on the function performed, taking into account the degree of involvement of the Supervisory Board members in the performed duties and the rules for the liability of a member of the Supervisory Board of a listed company. Detailed information on the terms and conditions of employment of the Supervisory Board members is contained in **Appendix No 1** to this Remuneration Policy.

## Article 7

1. The variable part of the remuneration of the Management Board members in the form of a quarterly and annual bonus depends on the level of achievement of key objectives in accordance with the rules set by the Supervisory Board taking into account the financial performance and the level of achievement of objectives set by the Supervisory Board.
2. The objectives are set by the Supervisory Board based on the current operational and strategic objectives of the Company for a given period together with the measures of their achievement, including the execution of the planned sales budget, achievement of the planned profit or EBIDTA level.
3. The Supervisory Board evaluates the achievement of the objectives after the end of a given bonus period.
4. The bonus payment date should be linked to the publication of financial results, and as regards the annual bonus, to the completion of the audit of the Company's consolidated and individual financial statements for the financial year constituting the bonus period.
5. The deferral periods for bonus payment and the possibility for the company to reclaim the paid bonus are not provided for.

## Article 8

1. The maximum total amount of remuneration components composing the bonus for a member of the Management Board of the Company may depend, inter alia on the level of generated profit and may constitute a percentage share in the net profit generated above the planned level, taking into account the function held.

## Article 9

1. Members of the Management Board may be entitled to additional benefits in the form of financial instruments granted by the Company under the incentive scheme.

2. The incentive scheme for members of the Management Board and key members of the managerial staff should grant the right (option) to the Company's shares in order to develop in the Company and its subsidiaries the mechanisms motivating actions aimed to ensure both long-term increase in the value of the Company and the value of its shares, stable growth in the Company's results and dividends for its shareholders and its subsidiaries, as well as implementation of the Pepees Group Strategy.
3. The incentive scheme may be set for a fixed term for a defined group of people. The incentive scheme may be implemented by issuing financial instruments granting the right to the Company's shares or by buyback of shares offered subsequently to the participants in the scheme, with the share sale price for the participants not lower than the price of share purchase by the Company.
4. The exercise of the right to shares should be dependent on remaining in employment with the Company or its subsidiary, observance of the non-competition clause or other loyalty conditions and achievement of individual and financial objectives set by the Supervisory Board.
5. The period between granting the right to acquire or take up the Company's shares under the incentive scheme and the possibility to exercise that right should be at least 2 years.
6. Members of the Supervisory Board may not participate in incentive schemes.

#### Article 10

1. Members of the Management Board and the Supervisory Board are entitled to Additional Benefits in the form of:
  - 1.1. a company car with a driver intended for business or private use;
  - 1.2. personal computer and company phone;
  - 1.3. medical care package, also for immediate family members;
  - 1.4. official lodgings if the regular place of work is substantially distant from the place of permanent residence;
  - 1.5. participation in training financed by the Company;
  - 1.6. civil liability insurance for company authorities;
  - 1.7. other benefits in accordance with the regulations adopted by the Company, to which all employees are entitled.
2. Members of the Management Board and of the Supervisory Board may be covered by the Employee Pension Plan under the same rules as other employees of the Company.

### VI. TEMPORARY DEROGATION FROM THE APPLICABLE REMUNERATION POLICY

#### Article 11

1. The Supervisory Board, on a request of the Management Board, may decide to temporarily derogate from this Remuneration Policy. The Management Board's request should be duly motivated, and in particular should indicate the reasons for the derogation and its purpose and period.



2. The derogation from the Remuneration Policy may occur only if it is necessary to pursue long-term interests and financial stability of the Company or to guarantee its profitability.
3. The reasons justifying the temporary derogation from the Remuneration Policy include, in particular, the following:
  - 3.1. a significant decrease in the Company's EBIDTA over a period longer than one year;
  - 3.2. a significant decrease in the average market price of the Company's shares traded on the regulated market during a period of at least one quarter;
  - 3.3. changes in the market or regulatory environment which may have a significant adverse impact on the economic or financial position of the Company or its prospects.
4. The derogation from the Remuneration Policy may concern both fixed and variable remuneration.
5. The derogation from the Remuneration Policy requires a resolution of the General Meeting.
6. The derogation period may not be longer than one year.

## VII. REMUNERATION REPORTS

### Article 12

1. The Supervisory Board draws up annual reports, containing all elements required by Art. 90g of the Act, which is presented to the General Meeting.
2. The General Meeting expresses its opinion on the Report by means of a resolution. The resolution is merely of an advisory nature.
3. The Report of the Supervisory Board contains a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the last financial year to individual Members of the Management Board and the Supervisory Board, in accordance with this Remuneration Policy.
4. When preparing the Report for a given financial year, the Supervisory Board takes into account the opinion of the General Meeting included in the resolution referred to in Art. 2 for the previous financial year and indicates the manner in which the opinion was taken into account in the prepared Report.
5. The Report is prepared based on the form attached as **Appendix No 2** to this Remuneration Policy.
6. The Report is subject to the auditor's assessment with respect to the information referred to in Art. 90g of the Act.

## VIII. FINAL PROVISIONS

### Article 13

1. This Remuneration Policy and the resolution of the General Meeting on its adoption, together with the date of the resolution and the results of voting, shall be published immediately on the Company's website.
2. The Company shall immediately publish the Report on the Company's website and make it available free of charge for the period specified in Art. 90g(9) of the Act.
3. The issues not covered by this Remuneration Policy are governed by separate internal regulations of the Company, in particular the Articles of Association and internal regulations of the General Meeting, the Supervisory Board and the Management Board of the Company as well as contracts with members of the Management Board.

### Article 14

The Remuneration Policy shall enter into force on the date of its adoption by a resolution of the General Meeting and should be taken into account, as of the date of its adoption, when the principles and amounts of remuneration for the members of the Company's body are established.

Appendix No 1 to the PEPEES Remuneration Policy

**Information on the employment of members of the Company's Management Board**

Name and surname	Type of legal relationship being the basis for employment	Period for which the legal relationship being the basis for employment was concluded	Period of notice for termination of the legal relationship being the basis for employment

**Information on Supervisory Board members**

Name and surname	Basis for performing the function	Period for which the Supervisory Board member has been appointed

Appendix No 2 to the Pepees Remuneration Policy

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*Name and surname of the Member of the Body that the Report relates to*

Total remuneration for the year:	
- Fixed remuneration	
- Variable remuneration split out by component	
An explanation how the Fixed Remuneration complies with the Remuneration Policy and how it contributes to the long-term performance of the Company	
Level of achievement of Bonus Objectives	
Information on change of remuneration, of the performance of the Company, and of average remuneration of the Company's employees other than members of the Management Board or the Supervisory Board, over at least the five most recent financial years	
The amount of remuneration from entities belonging to the same capital group	
The number of financial instruments granted or offered and the main conditions for the exercise of the rights under these instruments (the exercise price and date and any change thereof)	
Information on any deviations from the procedure for the implementation of the Remuneration Policy and on temporary derogation from the Remuneration Policy	

<p>The value of cash or non-cash benefits granted to close relatives, i.e. a spouse, ascendant, descendant, siblings, relative in the same line or to the same degree within the meaning of Art. 61<sup>7</sup> in conjunction with Art. 61<sup>6</sup> of the Family and Guardianship Code, a person in a relationship of adoption and his/her spouse, as well as a person in cohabitation.</p>	
<p>explanation of the manner in which the resolution giving an opinion on the previous remuneration report was taken into account in the report</p>	

## Article 2

The resolution shall enter into force on the day of its adoption.

- 71,635,970 shares, representing 75.41% of the share capital, took part in the vote and a total of 50,233,737 votes were validly cast, -----
- 43,876,938 valid votes were cast in favour of the resolution,-----
- 6,356,799 valid votes were cast against, -----
- no abstaining votes were cast.