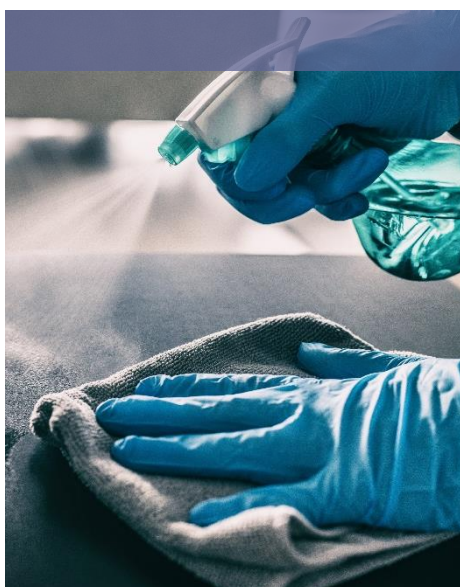




Report on the Remuneration  
of the Members of the Management Board  
and the Supervisory Board of Ciech S.A.  
for 2020 and 2021



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## Introduction

This Remuneration Report outlines the structure and the level of remuneration along with similar benefits received by and due to the Members of the Management Board and the Supervisory Board of Ciech S.A. (the “Company”). This Remuneration Report covers two financial years, i.e. 2020 and 2021, and has been established in accordance with the *Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies*<sup>1</sup> (the “Act”). In line with the Act, the General Meeting of Ciech S.A. adopted the

*Remuneration Policy for the Management Board and the Supervisory Board of Ciech S.A.* (the “Remuneration Policy”) defining the principles and a detailed framework for remunerating the Members of the Management Board and the Supervisory Board. The Remuneration Policy came into force as of 1 May 2020. The current version thereof can be found on the *Ciech S.A. Group’s* website, in the “Investor Relations” tab.

[https://ciechgroup.com/fileadmin/relacje\\_inwestorskie/WZA/04\\_2020/Polityka\\_wynagrodzen.pdf](https://ciechgroup.com/fileadmin/relacje_inwestorskie/WZA/04_2020/Polityka_wynagrodzen.pdf)

## 1. Remuneration of the Management Board

### 1.1 Remuneration Policy for Members of the Management Board

Pursuant to the Remuneration Policy in force at the Company, Members of the Management Board are entitled to:

- **fixed monthly** remuneration specified under the employment contract for each of the Members of the Management Board,
- **variable** remuneration encompassing annual bonus, discretionary bonus (awards) and awards granted under the long-term incentive plan (see below),
- **other non-wage benefits** including the right to use the company vehicle for private purposes, reimbursement of fuel expenses, the right to use the selected health benefits package, and the right to use sports cards and life insurance.

Non-wage benefits do not constitute a significant part of the total remuneration of Management Board Members.

The **fixed monthly** remuneration differs depending on the functions performed within the Management Board as well as the scope of responsibilities and competencies of the given Board Member. The amount of the monthly fixed remuneration of Members of the Management Board is determined by the Supervisory Board, based on a recommendation of the Remuneration Committee of the Supervisory Board. The Remuneration Committee’s recommendations are established by reference to market rates of remuneration for management board members, with special regard to entities with a similar business

<sup>1</sup>Journal of Laws of 2005 No 184, item 1539, consolidated text: Journal of Laws of 2020, item 2080

profile, as well as competences and experience of individual Board Members.

The amount of the **annual bonus** depends on:

- the amount of the annual remuneration of a Member of the Management Board,
- the level of achievement of management objectives set in consultation with the Supervisory Board and defined in the employment contract binding the Board Member,
- individual assessment of performance of a Member of the Management Board carried out annually by the Supervisory Board.

The level of achievement of management objectives is determined by the Supervisory Board in relation to the level of implementation of the annual Financial Plan of Ciech S.A.

In the event the Board Member's employment contract is terminated by the Company with notice, the Board Member is entitled to a compensation for refraining from competitive activity against the Company and companies from the Group in the period the non-compete clause is in effect.

On 26 February 2019, the Supervisory Board of Ciech S.A. adopted a resolution, by which it approved a three-year *Long-Term Incentive Plan of Ciech S.A.* (the "Incentive Plan" or "LTIP") for the period 2019-2021, intended for the key managerial staff of the *Ciech S.A. Group* (the "Group" or "Ciech Group").

Pursuant to the resolution, the key managerial staff, including Members of the Management Board, may be

enrolled in the Incentive Plan, based on a decision issued by the Supervisory Board separately for each Member of the Management Board.

The award granted to a given Board Member under the Incentive Plan depends on the value earned (the "Earned Value") by the *Ciech Group* for its shareholders in the reference period, starting on 1 January 2019 and ending on 31 December 2021. The Earned Value is calculated as the difference in the value of the *Ciech Group* (the "Value of the Ciech Group") achieved at the end of the settlement period, compared to such value at the end of the base year (i.e. 2018).

The Value of the Ciech Group is measured by TSR (Total Shareholder Return), taking into account:

- the adjusted EBITDA<sup>2</sup> of the Ciech Group;
- multiplier adopted for the adjusted EBITDA of the Ciech Group;
- consolidated net debt of the Ciech Group;
- value of dividends paid in 2018 for initial value and in the period from 1 January 2019 to 31 December 2021 for TSR closing value;
- cash inflows or outflows arising from the issue or cancellation of shares in the Company.

The actual Value of the *Ciech Group* is calculated at the end of the reference period adopted for the Incentive Plan, on the basis of financial data from the audited consolidated financial statements of the Ciech Group. If the Earned Value reaches the level of at least 11% of the base year (i.e. 2018), a bonus pool in the amount of 12% of the Earned Value is established. The bonus pool will be paid out in equal installments in three consecutive years after the end of the reference

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<sup>2</sup> Adjusted EBITDA is calculated as consolidated EBITDA adjusted for untypical non-recurring events.

period. The vesting dates for each installment due shall be:

- 30 June 2022,
- 30 June 2023,
- 30 June 2024,

The criterion for the granting of awards under the Incentive Plan is that the *Ciech Group* reports in the given settlement period a specified increase in value, compared to the base year.

A member of the Management Board may be required by the Supervisory Board to return to the Company all or part of the amount paid in connection with participation in the Incentive Plan in cases provided for by the Regulations of the Long-Term Incentive Plan, namely in situations where:

- the Company, for whatever reason, misrepresented the Group's financial performance;
- an error was made in relation to the amount awarded from the bonus pool to a Member of the Management Board;
- there has been negligence in the risk management in the Company or a member of the Group, including, without limitation, the liquidation of the Company, the Group, or any member thereof, or
- a Member of the Management Board awarded under the LTIP committed an act (or acts) of fraud or gross negligence or otherwise

damaged the reputation of the Company or any member of the *Ciech Group*.

The fixed monthly remuneration of the Members of the Management Board is subject to annual adjustments for the index of real increase in the average remuneration compared to the previous year, announced by the President of the Central Statistical Office.

The Members of the Management Board are covered by the Employee Capital Plan (the "ECP") according to the principles set out in the Act on Employee Capital Plans of 4 October 2018 (Journal of Laws of 2018, item 2215) (the "ECP Act"). A Member of the Management Board has the right to opt out of the ECP on the terms set out in the ECP Act.

In the period covered by this Report, the Members of the Management Board did not receive any:

- remuneration in form of financial instruments,
- benefits under retirement or disability pension schemes.

Pursuant to the Remuneration Policy in force, close relatives and partners of Members of the Management Board are not entitled to any monetary or non-monetary benefits within the meaning of Article 90g(5) of the *Act on Public Offering*.

The composition of the Management Board in the period covered by this Report is presented in the table below.

**Table 1. Composition of the Management Board of Ciech S.A. in the years 2016-2021**

	Function Performed	Appointment	Dismissal/ Resignation
<b>Dawid Jakubowicz</b>	President of the Management Board	05.12.2018	<i>function still performed</i>
<b>Maciej Tybura</b>	President of the Management Board	22.07.2015	10.09.2018
	Member of the Management Board	13.10.2014	22.07.2015
<b>Artur Król</b>	Member of the Management Board	26.10.2015	31.08.2018
<b>Artur Osuchowski</b>	Member of the Management Board	02.04.2008	25.10.2019
<b>Dariusz Krawczyk</b>	Member of the Management Board	28.05.2012	22.07.2015
<b>Jarosław Romanowski</b>	Member of the Management Board	20.04.2020	<i>function still performed</i>
<b>Mirosław Skowron</b>	Member of the Management Board	10.09.2018	<i>function still performed</i>
<b>Krzysztof Szlaga</b>	Member of the Management Board	12.03.2018	26.11.2018

## 1.2 Explanation of how the total remuneration complies with the adopted Remuneration Policy, including its contribution to achieving long-term results by Ciech S.A.

The remuneration of Members of the Management Board and of the Supervisory Board is consistent with the Remuneration Policy adopted by the Company. In the period covered by this Report no derogation thereto was made.

The purpose of the Remuneration Policy is to ensure long-term growth of the *Ciech Group* through securing the stakeholders', owners', and employees' interests, inter alia, by adequately remunerating employees for the work performed and devising the remuneration system in such a way that it motivates them to effectively engage in the achievement of goals set forth under the long-term development strategy of the *Ciech Group*.

Implementation of the development strategy, security of the *Ciech Group's* long-term interests, and financial stability are to be favored, in particular, by the design and structure of the remuneration scheme for Members of the Management Board and Members of the Supervisory Board, which take into account the current financial situation of the *Ciech Group*, while properly reflecting the scope of duties and responsibilities assumed by the Members.

The remuneration scheme for **Members of the Management Board** covers fixed and variable remuneration. The fixed component of remuneration of Members of the Management Board is determined by the Supervisory Board, taking into account the applicable market practice, i.e. by reference to market rates of remuneration for management board members, with special regard to entities with a similar business profile and scope of activities. In turn, the variable component of remuneration, encompassing annual bonuses and awards granted under the Long-Term Incentive Plan of the *Ciech Group*, depends on the economic situation and financial results of the Group, along with the annual

appraisal of the given Board Member's performance carried out by the Supervisory Board. The variable remuneration component takes into account both the Company's short-term and long-term operational perspective. The amount of the annual bonus cannot exceed 125% of the annual fixed remuneration, which reduces willingness to undertake projects that may be particularly profitable in the short term but involve potentially excessively high risks in the long run. Under the adopted framework for granting bonuses, individuals taking management decisions do not draw supplementary benefits from it. Consequently, the focus of the Members of the Management Board goes beyond short-term financial results of the *Ciech Group*. The awards granted under the Incentive Plan relate to the achievement of multiannual goals and their handout is deferred in time to strengthen the link between the Board Members' individual goals and implementation of long-term strategic goals (including financial ones) pursued by the Company and the *Ciech Group*.

The remuneration of **Members of the Supervisory Board** is composed of fixed remuneration, which ensures independent control over the activities and economic situation of the Group by making the remuneration of the Supervisory Board Members independent of the Group's performance. Importantly, proper control and internal supervision fortify the Group's stable growth and implementation of its long-term business strategy.

Moreover, the adopted remuneration structure supports proper and effective risk management at the Company and contributes to the execution of the long-term business strategy, pursuing long-term interests and improved stability of the Group, taking into account shareholders' interests.

### 1.3 Information on how the criteria related to the Company's results are applied

The amount of the annual bonus granted under the Remuneration Policy to each Management Board Member for a given calendar year is determined by the Supervisory Board, taking into account the amount of the annual remuneration of the Member, the level of completion of the management goals set forth under the Member's employment contract, and the annual assessment of the Member's performance. The amount of the annual bonus, to which every Member of the Management Board is entitled, remains dependent on the financial results achieved by the *Ciech Group*, which, in turn, rely on the following ratios and relations between them:

- EBITDA (A) – adjusted EBITDA relating to continuing operations of the *Ciech Group* determined in an audited financial statement

of the *Ciech Group* for a given financial year, for which an unqualified opinion has been issued, however, excluding the provision for future awards granted under the Long-Term Incentive Plan;

- EBITDA (AP) – adjusted EBITDA relating to continuing operations of the *Ciech Group*, set in the Annual Financial Plan of the *Ciech Group* for a given financial year, approved by the Supervisory Board, excluding the provision for future awards granted under the Long-Term Incentive Plan.

As at 31 December 2021, the amount of the annual bonus is calculated in the following manner:<sup>3</sup>

**Annual bonus = G + U**, where:

$G = 75\% \times MP$

$U = BB \times MP$

$MP = W \times R$

BB – individual percentage ratio determined annually by the Supervisory Board of Ciech S.A. for each Member of the Management Board within 30 days from the date of approval by the Annual General Meeting of the audited consolidated financial statements of the *Ciech Group*, subject to unqualified opinion, which, however, cannot exceed 25%.

W – the product of the gross remuneration of the Management Board Member, specified in the employment contract, and the multiplication factor of 12.

R – the degree of implementation calculated in line with the following:

- if EBITDA (A) is less than 90% of EBITDA (AP) – the degree of implementation is 0%;
- if EBITDA (A) is between 90% and 120% of EBITDA (AP) - the degree of implementation is at the level between 50% and 125%;
- if EBITDA (A) is more than 120% of EBITDA (AP) – the degree of implementation is 125%.

## 1.4 Remuneration of the Management Board in 2020

The table below presents the values of remuneration and fringe benefits received by and due to each Member of the Management Board in 2020.

**Table 2. Remuneration of Members of the Management Board in 2020**

<i>figures in PLN thousand, on an annual basis</i>		Dawid Jakubowicz	Artur Osuchowski	Jarosław Romanowski *	Maciej Tybura	Mirosław Skowron	Krzysztof Szłaga	Total
<b>Fixed component of remuneration</b>	Gross remuneration	1,509	708	843	-	1,249	-	<b>4,309</b>
	Discretionary bonuses	-	-	-	-	-	-	-
<b>Variable component of remuneration</b>	Annual bonuses*	1,426	654	-	-	1,188	-	<b>3,267</b>
	Awards granted under the LTIP**	-	-	-	-	-	-	-
	Total	1,426	654	-	-	1,188	-	<b>3,267</b>
<b>Other benefits</b>		-	2	-	-	6	-	<b>8</b>
<b>Variable component, fixed component, and other non-wage benefits in total</b>		<b>2,935</b>	<b>1,364</b>	<b>843</b>	-	<b>2,443</b>	-	<b>7,584</b>
<b>Other benefits</b>	Severance payment	-	1,258	-	-	-	-	<b>1,258</b>
	Non-competition compensation	-	419	-	458	-	325	<b>1,202</b>
<b>Total remuneration</b>		<b>2,935</b>	<b>3,040</b>	<b>843</b>	<b>458</b>	<b>2,443</b>	<b>325</b>	<b>10,044</b>
<i>Fixed component's share in the total remuneration</i>		<i>51%</i>	<i>52%</i>	<i>100%</i>	<i>0%</i>	<i>51%</i>	<i>0%</i>	<i>57%</i>
<i>Variable component's share in the total remuneration</i>		<i>49%</i>	<i>48%</i>	<i>0%</i>	<i>0%</i>	<i>49%</i>	<i>0%</i>	<i>43%</i>

\* Pursuant to the Resolution of the Supervisory Board dated 20 April 2020, Mr. Jarosław Romanowski was appointed a Member of the Management Board.

\*\* Bonus for 2019, paid in accordance with regulations in 2020. Costs included in provision recognized for 2019.

<sup>3</sup> In previous years, the conditions entitling Members of the Management Board to receive an annual bonus were not standardized, and the amount

of the annual bonus was calculated based on the multiplied adjusted EBITDA.



## 1.5 Remuneration of the Management Board in 2021

The remuneration of Members of the Management Board of Ciech S.A. for 2021, broken down into separate remuneration components, is presented in the table below.

**Table 3. Remuneration of Members of the Management Board in 2021**

<i>figures in PLN thousand, on an annual basis</i>		Dawid Jakubowicz	Artur Osuchowski	Jarosław Romanowski	Mirosław Skowron	Total
<b>Fixed component of remuneration</b>	Gross remuneration	1,535	-	1,220	1,279	<b>4,034</b>
<b>Variable component of remuneration</b>	Discretionary bonuses	-	-	-	-	-
	Annual bonuses*	2,113	-	1,180	1,886	<b>5,179</b>
	Awards granted under the LTIP**	-	-	-	-	-
	Total	2,113	-	1,180	1,886	<b>5,179</b>
<b>Other benefits</b>		5	-	6	6	<b>17</b>
<b>Variable component, fixed component, and other non-wage benefits in total</b>		<b>3,652</b>	-	<b>2,406</b>	<b>3,171</b>	<b>9,230</b>
<b>Other benefits</b>	Severance payment	-	-	-	-	-
	Non-competition compensation	-	524	-	-	<b>524</b>
<b>Total remuneration</b>		<b>3,652</b>	<b>524</b>	<b>2,406</b>	<b>3,171</b>	<b>9,754</b>
<i>Fixed component's share in the total remuneration</i>		42%	0%	51%	40%	44%
<i>Variable component's share in the total remuneration</i>		58%	0%	49%	60%	56%

\* Bonus for 2021, paid in accordance with regulations in 2021. Costs included in provision recognized for 2020.

\*\* Pursuant to the regulations the first payment is planned on 06.2022, therefore DPM benefits are not due in 2021 and are not included in this statement. The costs of the created provision for LTIP remuneration are included in 2021 P&L.

In 2021, Mr. Mirosław Skowron received remuneration of PLN 56 thousand, on account of being a member of the Management Board of *CIECH Salz Deutschland*

*GmbH*. In 2021, other Members of the Management Board did not receive any remuneration from other entities of the Ciech Group.

## 1.6 Ciech S.A.'s shares held by Members of the Management Board in the years 2020-2021

In the years 2020-2021, no financial instruments within the meaning of Article 90g(2)(6) of the *Act on Public Offering* were offered or granted to Members of the

Management Board. The *Ciech S.A.*'s shares held by Members of the Management Board listed in the table below were purchased on their own account.

**Table 4. Ciech S.A.'s shares held by Members of the Management Board**

	Function performed	Number of Ciech S.A.'s shares held	
		31 December 2020	31 December 2021
Dawid Jakubowicz	President of the Management Board	21,713	25,713
Mirosław Skowron	Member of the Management Board	8,656	11,854
Jarosław Romanowski	Member of the Management Board	3,200	7,550

## 2. Remuneration of the Supervisory Board

### 2.1 Remuneration Policy for the Supervisory Board

Pursuant to the Resolution of the Extraordinary General Meeting of Ciech S.A. dated 18 December 2017, the Members of the Supervisory Board are entitled to:

- **fixed monthly** remuneration due for the entire period of office (the term of office of a Member of the Supervisory Board is three years),
- **supplementary fixed monthly** gross remuneration for being a member of the Audit Committee. Members of the Supervisory Board are not entitled to any supplementary remuneration for taking part in the Remuneration Committee.
- variable remuneration covering the right to a share in the Company's net profit and individual awards in the amount specified by the General Meeting of Ciech S.A.

Monthly remuneration of the Members of the Supervisory Board varies depending on the function performed. According to the aforementioned Resolution, remuneration of the Supervisory Board is calculated as follows:

- Chairman of the Supervisory Board – remuneration in the amount of 400% of the “accrual basis” (see below),
- Deputy Chairman of the Supervisory Board – remuneration in the amount of 350% of the “accrual basis”,
- Members of the Supervisory Board – remuneration in the amount of 300% of the “accrual basis”.

The “accrual basis” referred to above means the *average monthly remuneration in the enterprise sector, including distributions from profit for the month preceding the calculation*, as announced by the President of the Central Statistical Office.

Supplementary fixed gross remuneration for participating in the Audit Committee is due to the Chairman of the Audit Committee in the amount of 150% of the remuneration granted to a Member of the Supervisory Board. Members of the Audit Committee are entitled to a supplementary gross remuneration in the amount of 100% of the remuneration granted to a Member of the Supervisory Board.

Regardless of the monthly remuneration, the Members of the Supervisory Board are entitled to a share in the Company's net profit in the amount specified by the General Meeting when adopting a resolution on the distribution of net profit for a given financial year. The Company's General Meeting may also grant the Members of the Supervisory Board individual awards in the amount specified by resolution. In the period covered by this Report, the General Meeting did not adopt any resolutions entitling the Members of the Supervisory Board to a share in the Company's net profit or individual awards.

In the period covered by this Report, the Members of the Supervisory Board did not receive any:

- remuneration in form of financial instruments,
- remuneration from entities of the Ciech Group,

- benefits under retirement or disability pension schemes.

Pursuant to the Remuneration Policy in force, close relatives and partners of Members of the Supervisory Board are not entitled to any monetary or non-monetary benefits within the meaning of Article 90g(5) of the Act on Public Offering.

The composition of the Supervisory Board, the Audit Committee, and the Remuneration Committee in the period covered by this Report is presented in the tables below.

**Table 5. Composition of the Supervisory Board in the years 2016-2021**

	Function Performed	Appointment	Dismissal/Resignation
<b>Sebastian Kulczyk</b>	Chairman of the Supervisory Board	08.10.2015	function still performed,
	Member of the Supervisory Board	26.08.2015	08.10.2015
<b>Artur Olech</b>	Member of the Supervisory Board	07.07.2014	<i>function still performed</i>
<b>Dawid Jakubowicz</b>	Member of the Supervisory Board, acting President of the Management Board	10.09.2018	05.12.2018
	Member of the Supervisory Board	22.06.2018	10.09.2018
<b>Dominik Libicki</b>	Member of the Supervisory Board	07.03.2016	22.06.2018
<b>Łukasz Rędziniak</b>	Member of the Supervisory Board	23.01.2020	<i>function still performed</i>
<b>Marek Koźnik</b>	Member of the Supervisory Board	28.01.2019	<i>function still performed</i>
<b>Mariusz Nowak</b>	Member of the Supervisory Board	07.07.2014	22.01.2020
<b>Martin Laudenschlager</b>	Member of the Supervisory Board	21.05.2020	<i>function still performed</i>
<b>Piotr Augustyniak</b>	Member of the Supervisory Board	07.07.2014	16.03.2021
<b>Tomasz Mikołajczak</b>	Deputy Chairman of the Supervisory Board	07.07.2014	20.05.2020
<b>Wojciech Stramski</b>	Member of the Supervisory Board	07.07.2014	06.03.2016
<b>Natalia Scherbakoff</b>	Member of the Supervisory Board	26.10.2021	<i>function still performed</i>

**Table 6. Composition of the Audit Committee in the years 2016-2021**

Audit Committee	2016	2017	2018	2019	2020	2021	Appointment	Resignation
<b>Artur Olech</b>	✓	✓	✓	✓	✓	✓	30.10.2014	
<b>Marek Koźnik</b>					✓	✓	24.02.2020	
<b>Mariusz Nowak</b>	✓	✓	✓	✓	✓		10.03.2016	22.01.2020
<b>Piotr Augustyniak</b>	✓	✓	✓	✓	✓	✓	07.07.2014	16.03.2021
<b>Wojciech Stramski</b>	✓						07.07.2014	06.03.2016
<b>Łukasz Rędziniak</b>						✓	30.03.2021	

**Table 7. Composition of the Remuneration Committee in the years 2016-2021**

Remuneration Committee	2016	2017	2018	2019	2020	2021	Appointment	Resignation
Sebastian Kulczyk					✓	✓	16.07.2020	
Marek Kośnik					✓	✓	24.02.2020	
Mariusz Nowak	✓	✓	✓	✓	✓		07.07.2014	22.01.2020
Tomasz Mikołajczak	✓	✓	✓	✓	✓		07.07.2014	20.05.2020

## 2.2 Remuneration of the Supervisory Board in 2020

The remuneration of Members of the Supervisory Board for 2020, broken down into separate remuneration components, is presented in the table below.

**Table 8. Remuneration of Members of the Supervisory Board in 2020**

<i>figures in PLN thousand, on an annual basis</i>		Sebastian Kulczyk*	Artur Olech	Łukasz Rędziniak	Marek Kośnik	Mariusz Nowak	Martin Laudenbach	Piotr Augustyniak	Tomasz Mikołajczak	Total
<b>Fixed component of remuneration</b>	Gross remuneration	-	193	181	208	12	118	193	88	<b>993</b>
	Supplementary gross remuneration**	-	193	-	164	12	-	290	-	<b>659</b>
	Total	-	387	181	372	24	118	483	88	<b>1,653</b>
<b>Variable component of remuneration***</b>		-	-	-	-	-	-	-	-	<b>-</b>
<b>Total remuneration</b>		-	<b>387</b>	<b>181</b>	<b>372</b>	<b>24</b>	<b>118</b>	<b>483</b>	<b>88</b>	<b>1,653</b>
<i>Fixed component's share in the total remuneration</i>		-	100%	100%	100%	100%	100%	100%	100%	100%
<i>Variable component's share in the total remuneration</i>		-	0%	0%	0%	0%	0%	0%	0%	0%

\*From 1 April 2016, Chairman of the Supervisory Board, Mr. Sebastian Kulczyk does not receive any remuneration due to the waiver of the claim for remuneration for the position of the Chairman of the Supervisory Board.

\*\* For serving at the Audit Committee.

\*\*\*Variable component of remuneration encompasses the right to a share in the Company's net profit and individual awards. In 2020, Members of the Supervisory Board were not entitled to a share in the Company's net profit, nor to individual awards.

## 2.3 Remuneration of the Supervisory Board in 2021

The remuneration of Members of the Supervisory Board for 2021, broken down into separate components, is presented in the table below.

**Table 9. Remuneration of Members of the Supervisory Board in 2021**

<i>figures in PLN thousand, on an annual basis</i>		Sebastian Kulczyk*	Artur Olech	Łukasz Rędziniak	Marek Koźnik	Martin Laudenbach	Piotr Augustyniak	Natalia Scherbakoff	Total
<b>Fixed component of remuneration</b>	Gross remuneration	-	203	207	212	209	44	-	<b>875</b>
	Supplementary gross remuneration**	-	244	161	264		64		<b>733</b>
	Total	-	<b>447</b>	<b>368</b>	<b>476</b>	<b>209</b>	<b>108</b>	-	<b>1,609</b>
<b>Variable component of remuneration***</b>		-	-	-	-	-	-	-	-
<b>Total remuneration</b>		-	<b>447</b>	<b>368</b>	<b>476</b>	<b>209</b>	<b>108</b>	-	<b>1,609</b>
<i>Fixed component's share in the total remuneration</i>		-	100%	100%	100%	100%	100%	-	<b>100%</b>
<i>Variable component's share in the total remuneration</i>		-	0%	0%	0%	0%	0%	-	<b>0%</b>

\*From 1 April 2016, Chairman of the Supervisory Board, Mr. Sebastian Kulczyk does not receive any remuneration due to the waiver of the claim for remuneration for the position of the Chairman of the Supervisory Board.

\*\* For serving at the Audit Committee.

\*\*\*Variable component of remuneration encompasses the right to a share in the Company's net profit and individual awards. In 2021, Members of the Supervisory Board were not entitled to a share in the Company's net profit, nor to individual awards.

## 2.4 Ciech S.A.'s shares held by Members of the Supervisory Board

In the years 2020-2021, no financial instruments within the meaning of Article 90g(2)(6) of the Act on Public Offering were offered or granted to Members of the Supervisory Board.

**Table 10. Ciech S.A.'s shares held by Members of the Supervisory Board**

	Function performed	Number of Ciech S.A.'s shares held	
		2020	2021
Sebastian Kulczyk	Chairman of the Supervisory Board	26,952,52*	26,952,052*
Marek Koźnik	Member of the Supervisory Board	3,582	3,582

\*Mr. Sebastian Kulczyk indirectly holds 26,952,052 shares in Ciech S.A., which represents approx. 51% of the Company's share capital.

### 3. Remuneration structure and results of Ciech S.A. in the years 2016-2021

#### 3.1 Remuneration of the Management Board in the years 2016-2021

The table below provides an overview of the remuneration paid to Members of the Management Board in the years 2016-2021.

**Table 11. Remuneration of Members of the Management Board in the years 2016-2021**

<i>figures in PLN '000</i>	Function Performed	Appointment	Dismissal/ Resignation	2016	2017	2018	2019	2020	2021
<b>Dawid Jakubowicz</b>	President of the Management Board	05.12.2018		-	-	450	1,440	2,935	3,652
		YOY, %		-	-	-	220%	104%	24%
<b>Andrzej Kopec</b>	Member of the Management Board	09.07.2012	07.07.2014	-	-	-	-	-	-
		YOY, %		-100%	-	-	-	-	-
<b>Artur Król</b>	Member of the Management Board	26.10.2015	31.08.2018	1,381	2,927	3,041	1,438	-	-
		YOY, %		462%	112%	4%	-53%	-100%	-
<b>Artur Osuchowski</b>	Member of the Management Board	02.04.2008	25.10.2019	2,811	2,929	3,038	1,265	3 040*	524*
		YOY, %		2%	4%	4%	-58%	140%	-83%
<b>Dariusz Krawczyk</b>	Member of the Management Board	28.05.2012	22.07.2015	5 004*	969*	81*	-	-	-
		YOY, %		29%	-81%	-92%	-100%	-	-
<b>Jarosław Romanowski</b>	Member of the Management Board	20.04.2020		-	-	-	-	843	2,406
		YOY, %		-	-	-	-	-	185%
<b>Maciej Tybura</b>	President of the Management Board	22.07.2015	10.09.2018	3,711	4,129	4,286	2 824*	458*	-
	Member of the Management Board	13.10.2014	22.07.2015						
		YOY, %							
<b>Mirosław Skowron</b>	Member of the Management Board	10.09.2018		-	-	301	1,206	2,443	3,171
		YOY, %		-	-	-	300%	103%	30%
<b>Krzysztof Szlaga</b>	Member of the Management Board	12.03.2018	26.11.2018	-	-	1,196	2 004*	325*	-
		YOY, %		-	-	-	68%	-84%	-100%
<b>Total</b>		<b>YOY</b>		<b>12,907</b>	<b>10,954</b>	<b>12,398</b>	<b>10,177</b>	<b>10,044</b>	<b>9,754</b>
		<b>YOY, %</b>		<b>42%</b>	<b>-15%</b>	<b>13%</b>	<b>-18%</b>	<b>-1%</b>	<b>-3%</b>

\* The remuneration includes termination payment and non-compete compensation.

\*\* The remuneration includes a bonus paid for the previous years.

### 3.2 Remuneration of the Supervisory Board in the years 2016-2021

The table below provides an overview of the remuneration paid to Members of the Supervisory Board in the years 2016-2021.

**Table 12. Remuneration of Members of the Supervisory Board in the years 2016-2021**

figures in PLN '000	Function Performed	Appointment	Dismissal/Resignation	2016	2017	2018	2019	2020	2021
Sebastian Kulczyk	Chairman of the Supervisory Board	08.10.2015	08.10.2015	38*	-	-	-	-	-
	Member of the Supervisory Board	26.08.2015	08.10.2015	-17%	-100%	-	-	-	-
Natalia Scherbakoff	Member of the Supervisory Board	26.10.2021		-	-	-	-	-	-
Artur Olech	Member of the Supervisory Board	07.07.2014		102	144	332	369	387	447
		YOY, %		4%	41%	131%	11%	5%	17%
Dawid Jakubowicz	Member of the Supervisory Board, acting President of the Management Board	10.09.2018	05.12.2018	-	-	37	-	-	-
		22.06.2018	10.09.2018						
Dawid Jakubowicz	Member of the Supervisory Board	YOY, %		-	-	-	-100%	-	-
Dominik Libicki	Member of the Supervisory Board	07.03.2016	22.06.2018	83	117	82	-	-	-
		YOY, %		-	41%	-30%	-100%	-	-
Łukasz Rędziniak	Member of the Supervisory Board	23.01.2020		-	-	-	-	181	368
		YOY, %		-	-	-	-	-	103%
Marek Koźnik	Member of the Supervisory Board	28.01.2019		-	-	-	171	372	476
		YOY, %		-	-	-	-	118%	28%
Mariusz Nowak	Member of the Supervisory Board	07.07.2014	22.01.2020	102	144	332	369	24	-
		YOY, %		4%	41%	131%	11%	-93%	-100%
Martin Laudenschlager	Member of the Supervisory Board	21.05.2020		-	-	-	-	118	209
		YOY, %		-	-	-	-	-	77%
Piotr Augustyniak	Member of the Supervisory Board	07.07.2014	16.03.2021	102	158	411	461	483	108
		YOY, %		4%	55%	160%	12%	5%	-78%
Tomasz Mikołajczak	Member of the Supervisory Board	07.07.2014	20.05.2020	128	144	200	215	88	-
		YOY, %		4%	13%	39%	8%	-59%	-100%
Wojciech Stramski	Member of the Supervisory Board	07.07.2014	06.03.2016	19	-	-	-	-	-
		YOY, %		-81%	-100%	-	-	-	-
Total		YOY		574	707	1,394	1,585	1,653	1,609
		YOY, %		2%	23%	97%	14%	4%	-3%

\*From 1 April 2016, Chairman of the Supervisory Board, Mr. Sebastian Kulczyk does not receive any remuneration due to the waiver of the claim for remuneration for the position of the Chairman of the Supervisory Board.

### 3.3 Average remuneration of employees and key results of Ciech S.A. in the years 2016–2021

The average remuneration of Ciech S.A. employees who are not members of the Management Board or the Supervisory Board, as well as the key results of the Company in 2016–2021 are presented in the tables below.

**Table 13. Average annual remuneration of the employees of Ciech S.A. in the years 2016-2021**

<i>figures in PLN '000</i>	2016	2017	2018	2019	2020	2021
Average total employees' remuneration, including the remuneration paid to the Managing Director*	110	111	121	123	143	167
Change in the average remuneration, %	9%	1%	9%	2%	16%	17%

\* Average remuneration of the employees of Ciech S.A. is calculated as the sum of all individual remuneration (i.e. fixed remuneration, bonuses and other awards, and commissions excluding fringe benefits) paid out to employees in the given calendar year (i.e. in a 12 month period), divided by an average headcount (average FTEs) in the given year.

**Table 14. Key results of Ciech S.A. in the years 2016-2021 (Ciech S.A. Group consolidated data)**

<i>figures in PLN '000</i>	2016	2017	2018	2019*	2020	2021
Net sales revenues	3,455,335	3,579,393	3,672,658	3,241,862	2,975,733	3,459,915
Operating profit/(loss)	660,320	588,808	379,200	253,476	249,968	355,771
Net profit/(loss) for the period	594,136	393,975	112,503	109,081	128,030	291,637
Adjusted EBITDA from continuing operations*	876,832	808,137	633,493	639,070	585,332	726,614
Debt ratio	1.4	1.1	2.3	2.8	2.9	1.8
Net cash from operating activities	836,871	628,832	453,938	535,433	767,186	1,278,917
Net cash from investing activities	(445,582)	(389,137)	(626,669)	(410,912)	(833,999)	(707,366)

\*Restated figures. Detailed information can be found in Consolidated Financial Statement of CIECH Group for year 2020, note 1.5.1.

### 3.4 Explanation of how the resolution relating to the previous Remuneration Report was taken into account in the Report

The Report of the Supervisory Board of CIECH S.A. on the remuneration of members of the Management Board and the Supervisory Board for the years 2019-2020 (the "Supervisory Board Remuneration Report for 2019 and 2020"), together with the auditor's assessment of the Supervisory Board Remuneration Report for 2019 and 2020, presented to the Shareholders of CIECH S.A. well in advance, was submitted to the Annual General Meeting of CIECH S.A. on 22 June 2021. Having familiarised themselves with the auditor's assessment, the shareholders of CIECH S.A., without making any additional comments to it, gave a positive opinion on the presented Supervisory Board Remuneration Report for 2019 and 2020.



## 4. Summary

The Supervisory Board performed a review of remuneration and benefits granted to individual Members of the Management Board and the Supervisory Board, against their compliance with the Remuneration Policy in force.

As a result, the Supervisory Board found that:

- remuneration paid to Members of the Management Board is in compliance with the Remuneration Policy in force;
- no deviation from the Remuneration Policy has been identified;
- taking into account the long-term interest of the *Ciech Group*, the interests of shareholders and other Company's stakeholders, the Supervisory Board assessed the operation of the Remuneration Policy and its contribution to the achievement of operational and strategic goals as positive.