

Attachment to Resolution No. 18/7/2020

This Compensation Policy for Management Board and Supervisory Board Members of Dino Polska S.A. ("Compensation Policy") was approved by a resolution adopted by the Company's Ordinary Shareholder Meeting on 2 July 2020.

## **§ 1 Introduction**

1. The aim of this policy is:
  - to define the principles of employing and compensating Management Board and Supervisory Board Members of Dino Polska S.A.,
  - to correlate the compensation of Dino Polska S.A. Management Board Members with the outcomes of executing the Company's growth strategy and the Company's financial results.
2. The Compensation Policy was adopted pursuant to art. 90d of the Act of 29 July 2005 on Public Offering and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies (consolidated version: Journal of Laws of 2019, Item 623).
3. The Compensation Policy reflects the compensation model for Management Board and Supervisory Board Members developed in previous years, used before the adoption of the Policy and forming an inherent part of the strategy and organizational culture of Dino Polska S.A.
4. After the end of each financial year, the Compensation Policy is subject to annual verification by the Supervisory Board to verify that it is up-to-date, suitable to the business environment and aligned to the Company's business and strategy. The findings of this review are presented in the Compensation Report, which is in turn presented to the Shareholder Meeting as referred to in item 9 below.
5. The Company pays compensation to the Management Board and Supervisory Board Members solely in compliance with the Compensation Policy.
6. A resolution to approve the Compensation Policy is adopted by the Shareholder Meeting no less frequently than every four years. A material amendment to the Compensation Policy must be adopted by a resolution of the Company's Shareholder Meeting.
7. The Company publishes the Compensation Policy and the relevant resolution of the Shareholder Meeting, with the date of its adoption and voting results, on the Company's website.
8. In extraordinary situations, the Supervisory Board may decide to refrain temporarily from applying the Compensation Policy with regard to the terms and conditions of employment of Management Board Members and the conditions for setting their compensation. Such a waiver may be made at a request of a Management Board Member or at the Supervisory Board's initiative.
  - a. a waiver may last no longer than until the next Shareholder Meeting of the Company at which the Supervisory Board presents its explanation for this waiver and, if justified, presents the new wording of the Compensation Policy to be adopted by the Shareholder Meeting.

- b. extraordinary situations facilitating a temporary waiver include in particular: problems with maintaining the optimum composition of the Dino Polska S.A. Management Board; a material change in the Company's profitability or financial stability; a material change in the Company's growth strategy.
9. Every year, the Company's Supervisory Board prepares a compensation report and presents it to the Shareholder Meeting to obtain its opinion. The Company shall publish the resolution with the Shareholder Meeting's opinion on its website.
10. The proper implementation of the Compensation Policy to Management Board Members is supervised by the Supervisory Board.
11. Before the Compensation Policy is presented to the Shareholder Meeting for adoption, the Supervisory Board must first endorse it. The same procedure is used when material amendments are introduced to the wording of the Compensation Policy.

## **§ 2**

### **Key principles of employing Management Board Members of Dino Polska S.A.**

1. Appointing, dismissing and suspending of the Company's Management Board members, setting their compensation and granting bonuses are powers of the Company's Supervisory Board.
2. Management Board Members are employed by the Company under employment contracts.
3. Agreements with Management Board Members are signed on behalf of the Company by the Supervisory Board Chairperson or by another member of the Supervisory Board, on the basis of an authorization granted by a resolution of the Supervisory Board.
4. Contracts with Management Board Members are entered into for an indefinite term and may be terminated with three months' notice.
5. An employment contract requires the Management Board Member to refrain from involvement in any business competitive to that of the Company or of the Subsidiaries during the employment relationship and for a period of 12 months following the expiration or termination of the employment contract for any reason.
6. A contractual penalty is envisaged for breaching the non-competition clause during the term of the contract. The contractual penalty is set no lower than 6 times the average monthly compensation obtained by the pertinent Management Board member, with an option allowing for the Company's pursuit of damages for any loss whose value is greater than the amount of the contractual penalty.
7. A contractual penalty is provided for a breach of the non-competition clause after the termination of the contract. The contractual penalty is set at a level no lower than 2 times the amount received by the pertinent Management Board Member as compensation referred to in §3 item 8, with an option allowing for pursuit of damages for any loss whose value is greater than the amount of the contractual penalty.
8. No Management Board Member may pursue any competitive interests or participate in any competing companies as a shareholder or member of its authorities without the consent of the Supervisory Board.

### § 3

#### **Compensating the Management Board Members of Dino Polska S.A.**

1. Aiming to continue the Company's dynamic growth and its strategic objectives, more weight is placed on variable or bonus compensation in the total compensation payable to the Members of the Company's Management Board.
2. The Company's Supervisory Board sets the amount of compensation amount for the Members of the Company's Management Board while taking into consideration the following:
  - the Company's financial standing,
  - achieved results, experience and professional qualifications of a Management Board Member,
  - level of responsibility following from the position held.
3. Compensation of the Members of the Company's Management Board is set in a way that supports the achievement of strategic objectives of Dino Polska S.A. and ensures the maintenance of the Company's secure financial standing.
4. Compensation for the Management Board Members includes fixed and variable compensation.
5. The fixed compensation of Management Board Members should not be higher than 10 times the average compensation of a full-time employee in the Company.
6. Variable compensation is paid in the form of quarterly and annual bonuses:
  - bonuses should form gratification for a genuine contribution made to the Company's development and should motivate Management Board Members to perform the tasks entrusted to them in subsequent periods,
  - quarterly bonuses are discretionary in nature and are awarded for performing the budget planned and adopted by the Supervisory Board before the beginning of a financial year; the key budget items forming the basis for awarding the annual bonus are set in accordance with the Company's main strategic objectives as presented and updated in the Company's annual reports,
  - when awarding a quarterly bonus, the Supervisory Board also takes into consideration the effective operation of quality and safety procedures in the Company with regard to the quality and safety of products offered in the Dino stores as well as initiatives undertaken by the Company to reduce its environmental impact,
  - the quarterly bonus should not be higher than the fixed compensation received by the Management Board Member in a given quarter for sitting on the management boards of Dino Polska and its subsidiaries,
  - the annual bonus depends on the amount of the Company's consolidated net profit earned in the financial year for which it is paid,
  - the total amount of the annual bonus is 1% of the net profit earned by the Dino Polska Group (possibly after eliminating material non-recurring events), provided that the same pool is also used for awarding bonuses to other key managers of the Company who are not Management Board Members.
7. Each Management Board member is entitled to compensation for adherence to the non-competition clause referred to in § 2 sec. 5, after the termination of the employment relationship in an amount equivalent to 12 times the average monthly compensation obtained by each Management Board Member prior to such termination. The said compensation is payable in twelve monthly installments.
8. Management Board Members may be entitled to customary fringe benefits, such as reimbursement of expenses (including expenses related to using a private or leased

car if they do not use a company car) and benefits in the form of life insurance or other benefits (e.g. sports cards or medical subscriptions) if they are also made available to other Company employees.

9. The Company does not award compensation to Management Board Members in the form of financial instruments, schemes concerning retirement and disability pensions or early retirement schemes.
10. The Company does not apply the option of deferring the payment of variable compensation or the option of clawing back variable compensation components.
11. Management Board Members are obligated to report accurately and fairly to the Supervisory Board on the results of their work forming the basis for awarding bonuses. Violating this rule constitutes grounds for not awarding a bonus.
12. The Supervisory Board checks the satisfaction of conditions justifying the payment of bonuses to Management Board Members based on interim and annual financial reports and other information obtained in the course of serving in its capacity.
13. Management Board Members of Dino Polska S.A. may take up employment in or provide services to other companies belonging to the Dino Polska Group; the compensation received for that should be aligned to the Management Board Member's involvement in matters of the given subsidiary and the assigned responsibility.

#### **§ 4**

##### **Compensating Supervisory Board Members of Dino Polska S.A.**

1. Supervisory Board Members perform their functions on the basis of an appointment.
2. Setting compensation for Supervisory Board members is a power of the Company's Shareholder Meeting.
3. Detailed rules for compensating Supervisory Board members are defined in a resolution adopted by the Shareholder Meeting of Dino Polska S.A.
4. The Company's Shareholder Meeting is recommended to apply the principle that the compensation of the Supervisory Board Members should be aligned to their powers and expected involvement of a given Supervisory Board Member in the work of the Supervisory Board and its committees. In order to mitigate the risk of a conflict of interest, it is recommended that the compensation of Supervisory Board Members be set at a level no higher than 3 times the average compensation in the national economy as published by the Central Statistical Office for the year preceding the adoption of the Shareholder Meeting's resolution.
5. At Dino Polska S.A., there are no additional retirement or disability pension schemes, early retirement schemes, contracts for the provision of services by Supervisory Board members specifying benefits paid on termination of employment or compensation schemes under which Supervisory Board members are awarded financial instruments.

The Compensation Policy comes into force on 2 July 2020.