

**Annual Compensation Report
of the DINO POLSKA S.A. Management Board and Supervisory Board
in 2019 and 2020**

This Compensation Report has been prepared pursuant to art. 90g of the Act on Public Offerings and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies (Journal of Laws of 2020, item 2080) ("Act").

The prevailing version of the Compensation Policy for Management Board and the Supervisory Board Members of Dino Polska S.A. ("Compensation Policy") was approved by resolution no. 18/7/2020 adopted by the Ordinary Shareholder Meeting of DINO POLSKA S.A. on 2 July 2020.

The prevailing version of the Compensation Policy is available on the DINO POLSKA S.A. website in the Corporate Governance tab.

According to §1 section 9 of the Compensation Policy, every year the Supervisory Board prepares a compensation report to present information to the Shareholder Meeting regarding the compensation the Company's Management Board and Supervisory Board received in the preceding financial year.

According to Article 36 Section of the Act of 16 July 2019 on amending the Act on Public Offerings and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies and Some Other Acts (Journal of Laws of 2019, item 2217), the Supervisory Board is preparing the compensation report for the first time for the combined years of 2019 and 2020.

This report presents a review of the compensation and of all the benefits received and due to the various members of the Management Board and Supervisory Board of DINO POLSKA S.A. and spans two financial years: 2019 and 2020.

The Company's Supervisory Board members are responsible for the information set forth in the compensation report.

The Management Board of DINO POLSKA S.A. consists of 3 Members: Ms. Izabela Biadała, Mr. Michał Krauze and Mr. Michał Muskała.

The Management Board composition has undergone the following changes since 5 October 2018 when the Management Board was appointed with 2 Members (Szymon Piduch – President of the Management Board, Michał Krauze – Management Board Member) for a joint three-year term of office:

- Mr. Jakub Macuga was appointed to the Company's Management Board on 12 April 2019,
- Mr. Michał Muskała was appointed to the Company's Management Board on 30 August 2019,
- Mr. Jakub Macuga tendered his resignation from serving in the capacity of a Management Board Member in the Company on 11 October 2019,
- Ms. Izabela Biadała was appointed to the Company's Management Board on 24 June 2020,
- Mr. Szymon Piduch tendered his resignation from serving in the capacity of President of the Management Board on 8 May 2020 with effect as of 2 July 2020 in connection with his appointment to the Supervisory Board of DINO POLSKA S.A. as of 2 July 2020.

1. Components of the Management Board and Supervisory Board's compensation in 2019-2020

1.1. Management Board

In 2019-2020 the compensation of the DINO POLSKA S.A. Management Board Members consisted of the following elements:

base compensation ensuing from the employment of the DINO POLSKA S.A. Management Board Members on the basis of an employment contract, additional compensation in the form of discretionary bonuses.

1.2 Supervisory Board

In 2019-2020 the compensation of the DINO POLSKA S.A. Supervisory Board Members consisted of the following elements:

base compensation ensuing from their appointment to serve in the capacity of DINO POLSKA S.A. Supervisory Board Members.

2. Total amount of compensation

2.1 Management Board

Compensation in DINO POLSKA S.A. received in or due for 2019 (gross, in thousand PLN)

	Base compensation	Additional compensation in the form of discretionary bonuses	Total	Percentage of base compensation	Percentage of additional compensation
Szymon Piduch President of the Management Board	68.4	1,176.2	1,244.6	5.5%	94.5%
Michał Krauze Management Board Member	66.0	432.6	498.6	13.2%	86.8%
Michał Muskala* Management Board Member	214.7	98.1	312.8	68.6%	31.4%
Jakub Macuga** Management Board Member	49.4	0	49.4	100%	0%

* - total compensation received in 2019 (for the period of serving in the capacity of a Management Board Member, i.e. from 20 August 2019 and for the earlier period when Michał Muskala served in the capacity of a director in Dino Polska).

** - compensation for the period of serving in the capacity of a Management Board Member, i.e. from 12 April 2019 to 11 October 2019.

18.9% of the compensation of the DINO POLSKA S.A. Management Board in 2019 was base compensation. Its amount in respect of the various Management Board members was specified by resolutions adopted by the DINO POLSKA S.A. Supervisory Board.

81.1% of the total compensation of the Management Board in 2019 was additional compensation. The Management Board Members did not draw any other monetary or non-monetary benefits.

The compensation of the Management Board Members in 2019 did not consist of monetary or non-monetary benefits awarded to their family members.

Compensation in DINO POLSKA S.A. received in or due for 2020 (gross, in thousand PLN)

	Base compensation	Additional compensation	Total	Percentage of base compensation	Percentage of additional compensation
Szymon Piduch* President of the Management Board	39.9	130.1	170.0	23.5%	76.5%
Michał Krauze Management Board Member	66.0	617.4	683.4	9.7%	90.3%
Michał Muskała Management Board Member	120.0	260.6	380.6	31.5%	68.5%
Izabela Biadała** Management Board Member	120.0	326.1	446.1	26.9%	73.1%

* - compensation for the period of serving in the capacity of President of the Management Board, i.e. until 2 July 2020

** - total compensation received in 2020 (for the period of serving in the capacity of a Management Board Member (from 24 June 2020) and for the earlier period when Izabela Biadała served as the Director of the Department of Operations and Administration in Dino Polska)

20.6% of the compensation of the DINO POLSKA S.A. Management Board in 2020 was base compensation. Its amount in respect of the various Management Board members was specified by resolutions adopted by the DINO POLSKA S.A. Supervisory Board.

79.4% of the total compensation of the Management Board in 2020 was additional compensation.

The DINO POLSKA S.A. Management Board Members did not draw any other monetary or non-monetary benefits in 2020.

The compensation of the Management Board Members in 2020 did not consist of monetary or non-monetary benefits awarded to their family members.

2.2 Supervisory Board

Compensation received from DINO POLSKA S.A. for 2019 (gross, in thousand PLN)

	Base compensation	Additional compensation	Total	Percentage of base compensation	Percentage of additional compensation
Tomasz Biernacki Supervisory Board Chairman	0	0	0	–	–
Eryk Bajer Supervisory Board member	83.0	0	83.0	100%	0%
Maciej Polanowski Supervisory Board member	80.0	0	80.0	100%	0%
Piotr Nowjalis Supervisory Board member	99.6	0	99.6	100%	0%
Sławomir Jakszuk Supervisory Board member	83.0	0	83.0	100%	0%

The only component of compensation for Supervisory Board Members of DINO POLSKA S.A. in 2019 was compensation related to their appointment.

The compensation of the Supervisory Board Members in 2019 did not consist of monetary or non-monetary benefits awarded to their family members.

Compensation received from DINO POLSKA S.A. in 2020 (gross, in thousand PLN)

	Base compensation	Additional compensation	Total	Percentage of base compensation	Percentage of additional compensation
Tomasz Biernacki, Supervisory Board Chairman	0	0	0	–	–
Eryk Bajer Supervisory Board member	82.0	0	82.0	100%	0%
Maciej Polanowski, Supervisory Board Member	82.0	0	82.0	100%	0%
Piotr Nowjalis, Supervisory Board Member	93.1	0	93.1	100%	0%
Sławomir Jakszuk, Supervisory Board Member	82.0	0	82.0	100%	0%
Szymon Piduch Supervisory Board Member*	37.2	0	37.2	100%	0%

* - compensation for the period of serving in the capacity of a Supervisory Board Member, i.e. as of 2 July 2020

The only component of compensation for Supervisory Board Members of DINO POLSKA S.A. (except for Mr. Szymon Piduch) in 2020 was monetary compensation related to their appointment. In addition to the function of serving as a DINO POLSKA S.A. Supervisory Board Member, pursuant to a separate agreement concluded with the Company, Mr. Szymon Piduch provided business consulting services in the period from July to December 2020 for which he received compensation in the amount of PLN 162.6 thousand.

The compensation of the Supervisory Board Members in 2020 did not consist of monetary or non-monetary benefits awarded to their family members.

3. Compliance of the compensation with the Compensation Policy, its contribution to achieving the Company's long-term results and the criteria used.

The present Compensation Policy has been in force in DINO POLSKA S.A. since 2 July 2020. The compensation paid to date to the Management Board and Supervisory Board Members of DINO POLSKA S.A. satisfies the requirements of the adopted Compensation Policy through the following:

- payment of compensation in a form permitted by the Compensation Policy,
- the fixed compensation of Management Board Members cannot be higher than 10 times the average salary of a full-time employee in DINO POLSKA S.A.
- the fixed compensation of Supervisory Board Members cannot be higher than 3 times the average salary in the national economy as published by the Central Statistical Office for 2017 (which was PLN 4,271.51), i.e. for the year preceding the adoption of the Shareholder Meeting's resolution appointing the Supervisory Board Members for their current term of office.

According to the Compensation Policy, the larger portion of the Management Board's compensation for 2019 and 2020 was paid in the form of discretionary bonuses. When setting the bonuses for the various Management Board Members the Supervisory Board took into consideration the amount of net consolidated profit generated by DINO POLSKA S.A. and the performance of the Company's annual budget whose key elements are set in connection with the Company's major strategic objectives. In addition, the Supervisory Board took into consideration the effective operation of 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.

In 2020 DINO POLSKA S.A.'s revenue totaled PLN 10,115.8 million, and its consolidated revenue totaled PLN 10,125.8 million. Versus 2019 this signified growth of 32.7% i 32.4%, respectively. Concurrently, the net profit of DINO POLSKA S.A. rose in 2020 by 47.1% to PLN 468.0 million, while its consolidated net profit shot up 56.7% to PLN 643.9 million. 255 new Dino stores were opened in 2020 versus 243 in 2019. The growth in like-for-like sales (in current stores) was 12.6% while the EBITDA margin was 7.6% (+0.24 percentage points y/y) on a standalone basis and 10.2% (+0.74 percentage points y/y) on a consolidated basis. In 2020 DINO POLSKA S.A. executed the project initiated in Q4 2019 involving the installation of photovoltaic panels on the rooftops of its stores. As a result, the volume of electricity generated from renewable sources gradually climbed. In the full year of 2020 it totaled 2.85 GWh versus 0.08 GWh in 2019.

In 2019 DINO POLSKA S.A.'s standalone revenue totaled PLN 7,624.4 million, and its consolidated revenue totaled PLN 7,646.5 million. Versus 2018 this signified growth of 30.7% i 31.0%, respectively. Concurrently, the net profit of DINO POLSKA S.A. rose in 2019 by 52.6% to PLN 318.2 million, while its consolidated net profit climbed 33.6% to PLN 410.9 million. 243 new Dino stores were opened in 2019 versus 202 in 2018. The growth in like-for-like sales was 11.6% while the EBITDA margin was 7.4% (+0.62 percentage points y/y) on a standalone basis and 9.5% (+0.22 percentage points y/y) on a consolidated basis.

According to the DINO POLSKA S.A. Supervisory Board, the higher percentage of bonus compensation than of base compensation in the total compensation of the Company's Management Board Members is a factor contributing to a high level of motivation and focus on attaining the Company's long-term strategic objective involving the dynamic and organic Dino store network roll-out.

4. Information on the annual changes in compensation, the results of DINO POLSKA S.A. and the average salary of employees of DINO POLSKA S.A. who are not Management Board or Supervisory Board Members.

The growth rate of compensation, the average salary of employees and the results generated by DINO POLSKA S.A.	2019	2020
Company's Management Board		
Izabela Biadała	–	–
Michał Krauze	23.5%	37.1%
Jakub Macuga	–	–
Michał Muskała	–	21.7%
Szymon Piduch	30.6%	-72.7%
Company's Supervisory Board		
Tomasz Biernacki	–	–
Eryk Bajer	-0.5%	-1.2%
Sławomir Jakszuk	-0.5%	-1.2%
Piotr Nowjalis	0.0%	-6.5%
Szymon Piduch	–	–
Maciej Polanowski	1.9%	2.5%
Employees' salary		
The average salary of employees who are not Management Board and Supervisory Board Members	7.7%	11.1%
Standalone results		
Sales revenue	30.7%	32.7%
Operating profit	44.6%	39.9%
Net profit	52.6%	47.1%
EBITDA	42.7%	37.0%
Consolidated results		
Sales revenue	31.0%	32.4%
Operating profit	31.0%	49.1%
Net profit	33.6%	56.7%

EBITDA	34.1%	42.8%
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The average salary of the Company's employees is the total amount of salary (fixed salary, bonuses and other awards) paid to employees for a given calendar year divided by the average headcount (average number of full-time equivalents) in a given year.

Information concerning financial years for which the Supervisory Board was not obligated to prepare a compensation report was overlooked.

5. Amount of compensation from entities belonging to the DINO POLSKA S.A. Group

5.1 Management Board

Compensation from entities belonging to the DINO POLSKA S.A. Group under civil law contracts (gross, in thousand PLN)

	2019	2020
Szymon Piduch President of the Management Board	275.2	270.1
Michał Krauze Management Board Member	148.8	148.8
Michał Muskała Management Board Member	20.0	120.0
Jakub Macuga Management Board Member	80.5	—
Izabela Biadała Management Board Member	0	40.0

5.2 Supervisory Board

In 2019-2020 the Supervisory Board Members did not draw any compensation from entities belonging to the DINO POLSKA S.A. Group.

6. The number of financial instruments awarded or offered and the main terms and conditions for exercising the rights from these instruments, including the price and date of exercise and changes thereto

DINO POLSKA S.A. does not award compensation in the form of financial instruments to Management Board and Supervisory Board Members.

7. Information on utilizing the option to claw back variable components of compensation

DINO POLSKA S.A. does not contemplate the deferral of payment of components of variable compensation or the option of clawing them back.

8. Information regarding deviations from the procedure of implementing the compensation policy

According to the Supervisory Board's knowledge, no deviations from the procedure of implementing the compensation policy have been recorded.