

## REMUNERATION POLICY FOR THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS OF CYFROWY POLSAT S.A.

### PART I COMMON PROVISIONS

#### **Justification for the implementation of the Policy and the accomplishment of the Company's goals**

1. The Policy has been established to fulfill the obligations imposed on the Company by Article 90c and subsequent articles of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies of 29 July 2005 (Journal of Law of 2019, item 623 with subsequent amendments).
2. The Policy's aim is to ensure sustained growth of the Company's value whose achievement by the Management Board and the Supervisory Board requires, among others, setting up of a relevant structure of remuneration of the members of the Management Board and the Supervisory Board on account of their overall duties. The aim is accomplished by restricting the remuneration of these individuals to a fixed part, allowing them to perform their duties concerning the overall operations of the Company, without focusing on the pursuit of selected specific goals only. Volatility of market, social and economic situation as well as the need for flexible response to the emerging risks and business opportunities provide no justification for setting fixed goals. The required flexible response to the changing situation and to the emerging challenges is assured – in the case of Management Board Members – by potential bonuses that can be awarded to them. Such a solution offers flexibility in terms of assuring stable operation of the Company and its long-term interests.
3. The form in which the Policy has been developed accounts for the specific nature of remuneration of the Company's employees and the structure of that remuneration by assuring that the terms of the remuneration are justified by the scopes of obligations and responsibilities of the members of the Management Board and the Supervisory Board which are associated with the roles that these individuals play in the Company.

#### **Implementation of the Policy, rules of supervision and review of the Policy**

4. The Policy has been adopted by the General Meeting of the Company on the basis of the draft resolution of the General Meeting proposed by the Management Board, while accounting for the opinion of the Supervisory Board's Remuneration Committee.
5. The Remuneration Policy is adopted by the General Meeting not less frequently than once every four years.
6. The supervision of implementation of the Policy is exercised by the Supervisory Board who subjects the Policy to a comprehensive review at least once a year and assesses the functioning of the Remuneration Policy from the point of view of accomplishment of its aims and fulfillment of its provisions. Once a review of the Remuneration Policy is completed, the Supervisory Board submits to the Management Board its potential recommendations as regards the motion to be proposed to the General Meeting with a view to adopt any essential amendments of the Policy. Upon obtaining the Supervisory Board's opinion, the Management Board may put forward a motion for amending the Policy to the General Meeting.

## Managing the conflict of interest

7. To avoid conflict of interest associated with the Remuneration Policy, the competencies related to the adoption, application and verification of the Remuneration Policy have been divided among respective governing bodies of the Company. A Management Board Member or a Supervisory Board Member is obligated to notify the Company of any conflict of his/her interests and the Company's interests, or of potential emergence of such a conflict.
8. A Management Board Member or a Supervisory Board Member should refrain from expressing opinions and voting on a resolution concerning a Remuneration Policy-related matter in connection with which there has emerged or may emerge such a conflict of interest.
9. Conflict of interest may emerge in particular if:
  - a) a Management Board Member or a Supervisory Board Member could obtain benefits or avoid loss related to their remuneration as a result of loss incurred by the Company, or
  - b) the financial interest of Management Board Member or a Supervisory Board Member, as expressed by the amount of the remuneration or the terms on which the remuneration is awarded, is contradictory to the interest of the Company itself.

## PART II

### REMUNERATION POLICY FOR MANAGEMENT BOARD MEMBERS

10. A fixed remuneration (salary) is paid to a Company's Management Board Member on account of the function performed by a given individual or by virtue of an employment relation. Performance of a function of a Management Board Member is based on a corporate relation. The employment relation may be a work relationship based on an employment contract concluded for a specified or unspecified term, a work relationship based on election, or a work relationship under a non-employment contract.
11. The corporate relationship is subject to termination on the terms stipulated by the Commercial Companies Code. The work relationship based on an employment contract is subject to termination on the terms stipulated by the Labor Code. The work relationship under a non-employment contract is subject to termination on the terms stipulated by the Civil Code and by a relevant contract, in particular when terminated by notice or with immediate effect. The notice period which is adequate from the point of view of the Company's needs in a specific case will be defined in the contract whose terms are defined by the Supervisory Board in the form of a resolution.
12. The remuneration of Management Board Members consists of a fixed part, having the form of a base salary.
13. Management Board Members may have the title to a bonus on the terms defined in the deed establishing their corporate relation or their employment relation.
14. Subject to the terms set by the Supervisory Board in the deed establishing a corporate relation or an employment relation, the Management Board Member may be covered by additional pension schemes.
15. Management Board Members may be entitled to additional benefits of permanent or periodic nature. These include in particular:
  - a) healthcare services for a Management Board Member or for the members of his/her family,
  - b) right to use the elements of the Company's property,
  - c) life insurance and D&O insurance.
16. Management Board Members employed under an employment contract are entitled to the same rights as all other employees of the Company by virtue of the Labor Code regulations, as defined by Article 9 of the Labor Code.
17. Remuneration and other benefits also include benefits on account of the Management Board's activities in the Company's subsidiaries.
18. In the resolution, serving as the basis for entering by a Management Board Member into a corporate relation or into an employment relation, and depending on the nature of the duties of a given Management Board Member as well as the conditions of his/her employment, the Supervisory Board, based on the recommendation issued by the Supervisory Board's Remuneration Committee, is entitled to determine the amount of the base salary, the conditions for acquiring the right to a bonus as well as other components of the remuneration and benefits.

### PART III

#### SUPERVISORY BOARD MEMBERS' REMUNERATION POLICY

19. Supervisory Board Members perform their function on the basis of a corporate relation.
20. Supervisory Board Members receive fixed remuneration on account of the performed function. The remuneration may differ depending on the function in the Supervisory Board, especially in connection with participation in the work of respective Supervisory Board committees. In justified cases a Supervisory Board Member may receive additional remuneration.
21. Supervisory Board Members are entitled to a reimbursement of documented expenses incurred directly in connection with their participation in the work of the Supervisory Board.
22. The amount of the remuneration of the Supervisory Board members is determined by the General Meeting.

### PART IV

#### FINAL PROVISIONS

23. At a Management Board's justified request, when required by the situation, including the Company's financial standing, the Supervisory Board may – for the duration of the period defined in a relevant Supervisory Board Resolution – derogate from the application of the present Policy, in part or in full.
24. The provisions of the present Policy take effect from the date of adoption by the Company's General Meeting of a resolution implementing the policy.