

## **Supervisory Board report on remuneration for 2019-2020**

### **I. Introduction**

This Remuneration Report has been prepared by the Supervisory Board of Asseco South Eastern Europe S.A. (hereinafter: "the Company") pursuant to Article 90g of the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to organized trading system and on public companies (Journal of Laws 2020.2080, consolidated text). The report provides a comprehensive overview of the remuneration, including all benefits, regardless of their form, due to individual members of the Management Board and Supervisory Board in 2019 and 2020, in accordance with the Remuneration Policy for members of the Management Board and Supervisory Board adopted by the Company (hereinafter: "Remuneration Policy"). The Remuneration Policy was adopted by resolution of the General Meeting on 16 June 2020. It sets out the basis, principles and procedures for determining, calculating and paying remuneration to the members of the Management Board and the members of the Supervisory Board with a view to contributing to the business strategy, long-term interests and stability of the Company.

During the period from 1 January to 30 September 2019, the composition of the Company's Management Board was as follows:

Piotr Jeleński	President of Management Board
Marcin Rulnicki	Member of Management Board
Miljan Mališ	Member of Management Board
Miodrag Mirčetić	Member of Management Board

whereby Miodrag Mirčetić resigned as Member of the Management Board with effect from 30 September 2019. In his place, Kostadin Slavkoski was appointed as Member of the Management Board with effect from 1 October 2019 by resolution of the Supervisory Board dated 16 September 2019.

From 1 October 2019 to the end of 2020, the composition of the Management Board remained unchanged and was as follows:

Piotr Jeleński	President of Management Board
Marcin Rulnicki	Member of Management Board
Miljan Mališ	Member of Management Board
Kostadin Slavkoski	Member of Management Board

The composition of the Supervisory Board did not change in 2019-2020 and was as follows:

Jozef Klein	Chairman of Supervisory Board
Adam Góral	Vice Chairman of Supervisory Board
Artur Kucharski	Member of Supervisory Board
Jacek Duch	Member of Supervisory Board
Adam Pawłowicz	Member of Supervisory Board

**II. The amount of the total remuneration of the Members of the Management Board and Supervisory Board divided into the components referred to in Article 90d, paragraph 3(1) of the Act and the mutual proportions between these components.**

The members of the Management Board of the Company during the reporting period 2019 - 2020 received cash remuneration consisting of two parts, i.e. a fixed part and a variable part.

The fixed remuneration paid by the Company for the financial year did not exceed 40.00% (forty per cent) of the maximum remuneration provided for that financial year in accordance with the Remuneration Policy.

The variable remuneration of the members of the Company's Management Board was dependent on financial performance.

Detailed rules for determining, calculating and paying the variable remuneration for Management Board Members Piotr Jeleński and Marcin Rulnicki were determined by the Supervisory Board. The Board, on appointment and at the beginning of each financial year of the ongoing term of office, determines the amounts taking into account the dependence of the variable remuneration of the Member of the Management Board on the adopted budget of the Company. The amounts of variable remuneration are determined gross. The final amount to be paid by the Company is reduced by the amounts of remuneration received by Piotr Jeleński and Marcin Rulnicki in subsidiaries for their functions in supervisory and advisory bodies.

The members of the Management Board, Miljan Mališ and Kostadin Slavkoski, receive remuneration only in the subsidiaries in which they are employed and therefore their remuneration is described in section III as remuneration from entities belonging to the same capital group.

Members of the Supervisory Board, on the other hand, have fixed remuneration in accordance with Resolution No. 4 of the Extraordinary General Meeting of the Company of 13 June 2017 on the determination of the principles of remuneration of members of the Supervisory Board of the Company.

The amount of the total remuneration is presented in this Report as the components referred to in Article 90d, paragraph 3(1) of the Act - i.e. fixed and variable remuneration components, as well as bonuses and other benefits and mutual proportions between the fixed and variable remuneration components. The table below presents a summary of all the above components and proportions for each member of the Management Board and Supervisory Board receiving remuneration from the Company.

All amounts are given in gross values.

*Table 1: Remuneration of the Members of the Management Board and the Supervisory Board received and/or due from the Company in the reporting period - in PLN thousand gross.*

Name, function	Reporting year	Fixed remuneration (Basic remuneration)	Variable remuneration (annual bonus)	Extraordinary allowances	PPE employer contribution	Total remuneration	Ratio between fixed and variable remuneration (F/V)
Piotr Jeleński, President of Management Board	2020	360	1 998	5	1	2 364	15% / 85%
	2019	360	1 441	5		1 807	20% / 80%
Marcin Rulnicki, Member of Management Board	2020	276	515	6	1	798	35% / 65%
	2019	276	400	7		683	41% / 59%
Jozef Klein, Chairman of Supervisory Board	2020	36				36	100% / 0%
	2019	36				36	100% / 0%
Adam Góral, Vice Chairman of Supervisory Board	2020	30				30	100% / 0%
	2019	30				30	100% / 0%
Jacek Duch, Member of Supervisory Board	2020	60				60	100% / 0%
	2019	60				60	100% / 0%
Artur Kucharski, Member of Supervisory Board	2020	90				90	100% / 0%
	2019	90				90	100% / 0%
Adam Pawłowicz, Member of Supervisory Board	2020	60				60	100% / 0%
	2019	60				60	100% / 0%

The table shows the remuneration accrued for the year together with the amounts paid in the following year. The amount for 2019 results from the final annual settlement and for 2020 results from the calculation which is the basis for the created provision.

The column "extraordinary allowances" includes such benefits as private medical care, costs of a car used by a Board Member for private purposes (defined as a monthly lump sum), training costs.

Management Board members enjoy extraordinary allowances on the same basis as Company employees.

In the column "Variable remuneration (annual bonus)" the annual bonuses due to the member of the Management Board for the reporting year were included (even if they were paid after the end of the reporting year).

When calculating the data for the column "Proportion between fixed and variable remuneration (F/V)", extraordinary allowances were included in the fixed remuneration.

### III. Remuneration of entities belonging to the same capital group

Table 2, below, presents the remuneration which the members of governing bodies receive from companies incorporated within the ASEE Group. For Members of the Management Board Piotr Jeleński and Marcin Rulnicki such remuneration is awarded for their functions in the supervisory or advisory bodies in subsidiary companies, namely in the Supervisory Boards of Asseco SEE doo Belgrade, Serbia, Asseco SEE dooel and Payten dooel, Macedonia, as well as in the coordinating committee of Asseco SEE srl and Payten Payment Solutions srl, Romania.

Miljan Mališ - Member of the Management Board receives the entire remuneration from ASEE's subsidiary Payten d.o.o. in Serbia, where he is permanently employed and serves as Member of the Management Board. At the same time, Miljan Mališ supervises the Segment in the Payments area within the ASEE Group.

Likewise, Member of the Management Board Kostadin Slavkoski receives remuneration from Asseco SEE dooel in Macedonia performing the function of Member of the Management Board in that company. Kostadin Slavkoski at the same time supervises the Banking segment in the ASEE Group.

This situation also applies to former Board member Miodrag Mircetic, who ceased to perform his function in the Board as of 30 September 2019. Miodrag Mircetic received a total remuneration in the subsidiary company Asseco SEE doo in Serbia.

*Table 2: Remuneration of the Members of the Management Board and the Supervisory Board in the reporting period received and/or due from Group Companies - in PLN thousand gross*

Name, function	Reporting year	Fixed remuneration (Basic remuneration)	Variable remuneration (annual bonus)	Extraordinary allowances	PPE employer contribution	Total remuneration	Ratio between fixed and variable remuneration (F/V)
Piotr Jeleński, President of Management Board	2020		2 188			2 188	0% / 100%
	2019		1 969			1 969	0% / 100%
Marcin Rulnicki, Member of Management Board	2020		614			614	0% / 100%
	2019		493			493	0% / 100%
Miljan Mališ, Member of Management Board	2020	184	1 128			1 312	14% / 86%
	2019	241	464			705	34% / 66%
Kostadin Slavkoski, Member of Management Board (as from 1 October 2019)	2020	201	840			1 041	19% / 81%
	2019	49	81			130	38% / 62%
Miodrag Mircetic, Member of Management Board (until 30 September 2019)	2020	-	-			-	
	2019	110	515			625	18% / 82%

#### **IV. An explanation of how total remuneration is consistent with the Policy, including how it contributes to the Company's long-term performance and information on how the performance criteria have been applied**

The total remuneration, including the bases, rules and procedures for determining, calculating and paying the remuneration for Members of the Company's Management Board and Members of the Supervisory Board are in accordance with the Remuneration Policy adopted by the Company. The proportion of fixed remuneration of the Members of the Management Board to variable remuneration, as well as the manner of calculation and payment of remuneration, including in particular variable remuneration (bonuses), is in accordance with the principles adopted in the Remuneration Policy.

The members of the governing bodies did not receive in the reporting period any remuneration (including cash and non-cash components) other than provided for in the Remuneration Policy.

The variable remuneration of the Members of the Company's Management Board is dependent on financial performance. Pursuant to the Remuneration Policy, the dependence on financial results may relate both to the results of the entire Company and/or Group and/or Segment which is supervised by a given Member of the Management Board.

The variable part of the remuneration is settled after the closing of the financial year for which the remuneration is calculated and it is paid on the basis of data from the financial statements, confirmed by the auditor's report. In the course of the financial year, advances are made on variable remuneration depending on the achievement of financial targets (not more than 50%).

As the greater part of the remuneration of the members of the Management Board is the variable part depending on the financial objectives and is paid in proportion to the Company's performance, this directly contributes to the achievement of the Company's long-term results (which are the achievement of increasingly better economic results and thus maximising the Company's net profits).

The table below provides details of the variable remuneration - descriptions of the business objectives, the adequate achievement of which entitles to receive variable remuneration (bonus) in 2019-2020. In doing so, the Supervisory Board has verified that the total remuneration is in line with the adopted Remuneration Policy, including that the proportion of fixed to variable remuneration has been maintained in accordance with the principles set out in the Policy and the method of calculation and payment of bonuses is in line with the principles adopted in the Policy.

*Table 3: Variable remuneration*

Name, function	Reporting year	Description of criteria (business objectives) and type of remuneration	Weight	Lower limit - target achievement threshold for bonus entitlement	Upper limit of the criterion (business goal)
Piotr Jeleński	2020	Variable remuneration (bonus) dependent on realization of consolidated profit of the ASE Group as specified in the budget	100%	no	bonus based on actual achievement of target
	2019	Variable remuneration (bonus) dependent on realization of consolidated profit of the ASE Group as specified in the budget	100%	no	bonus based on actual achievement of target

Marcin Rulnicki	2020	Variable remuneration (bonus) dependent on realization of consolidated profit of the ASEE Group as specified in the budget	100%	no	bonus based on actual achievement of target
	2019	Variable remuneration (bonus) dependent on realization of consolidated profit of the ASEE Group as specified in the budget	100%	no	bonus based on actual achievement of target
Miljan Mališ	2020	Variable remuneration (bonus) dependent on achieving the target: consolidated Margin 3 of the Card and Processing Business Line of the ASEE Group excluding Margin 3 of the aforementioned Lines of Necomplus Group Companies, as specified in the budget	50%	no	120% performance The bonus for maximum (120%) performance is 144% of salary
		Variable remuneration (bonus) dependent on achievement of target: consolidated revenues from own activities of the Card and Processing Business Line modified excluding revenues from own activities of the aforementioned Line of Necomplus companies, as specified in the budget	50%	Bonus payable subject to 85% achievement of target	120%
	2019	Variable remuneration (bonus) dependent on target achievement: consolidated Margin of 3 business lines: ATM RS, ATM-Dist, POS RS and Processing of the ASEE Group, as defined in the budget	50%	no	120% performance The bonus for maximum (120%) performance is 144% of salary
		Variable remuneration (bonus) dependent on the achievement of the target: consolidated revenues from own business lines ATM RS, ATM-Dist, POS RS and Processing of the ASEE Capital Group, as defined in the budget	50%	Bonus payable subject to 85% achievement of target	120%
Kostadin Slavkoski	2020	Variable remuneration (bonus) dependent on target achievement: ASEE Group's consolidated 3 BU Banking margin	36%	no	120% performance The bonus for maximum (120%) performance is 144% of salary
		Variable remuneration (bonus) dependent on the achievement of the target: ASEE Group license revenue in BU Banking, as defined in the budget	24%	Bonus payable on achievement of 27% of target	
		Variable remuneration (bonus) dependent on achieving the target: net profit of Asseco SEE in Macedonia less BU Payment in Asseco SEE in Macedonia, as specified in the budget	40%	no	

2019	Variable remuneration (bonus) dependent on achieving the following targets: revenues of BU Banking Asseco SEE sh.p.k. in Albania, Asseco SEE sh.p.k. in Kosovo and Asseco SEE e.o.d. in Bulgaria, as specified in the budget	30%	Bonus payable on achievement of 56% of target	120% performance The bonus for maximum (120%) performance is 144% of salary
	Variable remuneration (bonus) dependent on achieving the target: Net profit of Asseco SEE in Macedonia decreased by Margin 4 BU Payment reported in Asseco SEE in Macedonia, as specified in the budget	70%	no	

**V. Information on the change, on an annual basis, of the remuneration, performance of the Company and average remuneration of employees of this Company who are not members of the Management Board or the Supervisory Board, for the period 2019-2020**

The following table summarises the remuneration of the Members of the Management Board and Supervisory Board, as well as the Company's results and the average remuneration of the Company's employees over the last two years, allowing these figures to be compared. The average employee remuneration (excluding Management Board and Supervisory Board Members) was calculated by dividing the remuneration calculated for the reporting period by the full-time equivalent, excluding persons on unpaid leave and redundancy. For the purpose of calculating the average remuneration for the purposes of the comparison below, the basic remuneration and variable remuneration, excluding additional benefits, were taken into account.

In the table below, information relating only to the years 2019 and 2020 is included - due to the fact that for the earlier years the Supervisory Board was not obliged to prepare a remuneration report (pursuant to Article 90g, paragraph 3 of the Act of 29 July 2005 on public offerings and conditions for introducing financial instruments into an organised trading system and on public companies).

*Table 4 Comparison of remuneration and company results over the last 2 reporting years (amounts in PLN thousand)*

	2020	2019	Year-on-year change (%)
<b>Remuneration of members of Management Board</b>			
Piotr Jeleński, President of Management Board	4 547	3 770	+21%
Marcin Rulnicki, Member of Management Board	1 405	1 169	+20%
Miljan Mališ, Member of Management Board	1 312	705	+86%
Kostadin Slavkoski, Member of Management Board (as from 1 October 2019)	1 041	130	+701%
Miodrag Mircetic, Member of Management Board (until 30 September 2019)		625	-100%
<b>Remuneration of members of Supervisory Board</b>			
Jozef Klein, Chairman of Supervisory Board	36	36	0%
Adam Góral, Vice Chairman of Supervisory Board	30	30	0%

Jacek Duch, Member of Supervisory Board	60	60	0%
Artur Kucharski, Member of Supervisory Board	90	90	0%
Adam Pawłowicz, Member of Supervisory Board	60	60	0%
<b>Company results</b>			
Consolidated operating profit of the ASEE Group	145 648	109 785	+33%
Consolidated net profit of the ASEE Group	118 171	90 993	+30%
Consolidated operating profit of the ASEE Group (in EUR thousand)	32 553	25 521	+28%
Consolidated net profit of the ASEE Group (in EUR thousand)	26 412	21 153	+25%
<b>Average salary</b>			
Employees in the Company	165	134	+23%

#### **VI. Financial instruments granted or offered and principal terms of exercising rights attached to them**

Not applicable - no financial instruments were granted or offered to members of the Management Board or the Supervisory Board

#### **VII. Information on the use of the option to claim back variable components of remuneration**

Not applicable - the option to claim back variable components of remuneration has not been exercised

#### **VIII. Information concerning deviations from the procedure for implementing the remuneration policy and derogations**

Not applicable - there were no deviations from the application of the Remuneration Policy.

#### **IX. Additional explanations**

The Company is aware that in 2017, the shareholder of ASEE - Asseco Poland S.A. signed agreements with managers of ASEE Group companies (including members of the Company's Management Board) to acquire shares in ASEE. In total, the programme covers 2,221,356 shares in ASEE S.A., representing 4.28% of the Company's capital. The agreements concluded between the managers of ASEE Group companies and Asseco Poland S.A. provide for spreading the payments for shares over a period of time until 2024. Therefore, this has been considered a kind of shareholder incentive scheme and has been described in detail in the Company's financial statements.