Remuneration Policy

Play Communications S.A.
4/6 rue du Fort Bourbon
L-1249 Luxembourg
RCS Luxembourg: B 183803

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This document contains the remuneration policy (the "**Remuneration Policy**") of Play Communications S.A. (the "**Company**"), including the guiding principles for remuneration and the remuneration structure of the directors of the Company. The Remuneration Policy is compliant with the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and the Luxembourg law dated 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and implementing directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed company, as amended, implementing the aforementioned directives.

Objective of the Remuneration Policy and Key Principles

Objective

The objective of the Remuneration Policy is to attract, motivate and retain qualified individuals needed in order to achieve the Company's strategic and operational objectives, and maximize the value of the Company for its shareholders.

Key Principles

The Remuneration Policy has been established taking into account, amongst other:

- the market trends in Luxembourg, Poland and worldwide;
- the interests of all stakeholders;
- the principles of corporate governance and best practices;
- trends in sustainability;
- the remuneration of the employees of the Company; and
- the societal context around remuneration.

The Remuneration Policy is simple and transparent and supports the interests and sustainability of the Company in the medium and long-term. It encourages a "*pay for performance culture*".

Directors Remuneration

Group structure

The board of directors of the Company (the "**Board**") is vested with the broadest powers to take any actions necessary or useful to fulfill the Company's corporate objective, with the exception of the actions reserved by law or by the articles of association of the Company to the general meeting of shareholders, and shall act at all times in the corporate interest of the Company and serve all the shareholders by ensuring the long-term success of the Company. The Board exercises the supervision and control over the Company's operations and the operations of the Company's subsidiaries. The Board is currently composed solely of nine non-executive independent directors (the "**Non-Executive Directors**").

The Company is the sole shareholder of P4 sp. z o.o. (the "**Subsidiary**", and together with the Company and other affiliated companies, the "**Group**"). The management board of the Subsidiary (the "**Management Board**") is responsible for executing the Group's strategic plan and for fulfilling the Company's purpose of enabling the business to grow sustainably.

Board of Directors of Play Communications

<u>Principles</u>

The remuneration of the Non-Executive Directors is based on the following main principles:

- the remuneration must be sufficient and conform to the Non-Executive Directors' dedication, qualification and responsibilities but it must not compromise their independence;

- the remuneration must be sufficient to attract and retain directors with the talent and profile desired by the Company; and

- the remuneration must be competitive, which is achieved by establishing a remuneration package in line with market standards of comparable sectors and companies.

<u>Overview of remuneration and components</u>

The Non-Executive Directors receive a fixed remuneration in accordance with their respective letters of appointment and approved by the general meeting of shareholders. The members of the audit committee, the operational and investment committee, and the remuneration and appointment committee and the chairman of the audit committee receive an additional fixed remuneration.

The fees of the Non-Executive Directors are not linked to the financial results of the Company and the Non-Executive Directors (i) do not receive any performance or equity-related compensation, (ii) do not accrue pension rights with the Company and (iii) are not eligible for personal loans or guarantees.

The Non-Executive Directors do not receive any remuneration from other Group companies.

<u>Relationship between the remuneration of the Non-Executive Directors and the rest of the Group</u>

The role of the Non-Executive Directors is instrumental in assuring further development of the Company, taking into account the ongoing and long-term performance of the Company and the Group. The compensation is fixed based. The amounts of the remuneration of the Non-Executive Directors take into account, amongst other, the responsibilities of the Non-Executive Directors, the seniority of the individuals, as well as the conditions on the local market.

The Managers are compensated on the basis of fixed and variable components (as detailed herein). Such remuneration is intended to reflect their involvement in the operational tasks and everyday activities of the Group and on the ongoing and long term performance of the Company and the Group. The remuneration takes into account the actual contribution of the Managers to the results being generated, for which they are rewarded. The remuneration level is set in accordance with local market practices, scale of operations and scope of responsibilities and experience levels.

<u>Appointment and duration</u>

The Non-Executive Directors are appointed by the general meeting of shareholders of the Company for a term of office which shall not exceed six years. The Letter of Appointment sets out the rights and obligations (including payments) of the Non-Executive Director during its tenure as a director of the Company. The termination of the Letter of Appointment (by the Company or the Non-Executive Director) is subject to a one-month notice period. The Letter of Appointment may also be terminated immediately and without notice by the Company under the conditions listed in the Appointment Letter. Upon termination of its appointment, a Non-Executive Director shall be entitled to the fees accrued for services rendered until the date of termination, together with reimbursement of any expenses properly incurred prior to that date.

The Non-Executive Directors do not accrue pension rights with the Company.

Board of Managers of P4

Principles

The members of the Management Board (the "**Managers**") is based on the following main principles:

- the compensation package must be able to attract, retain and motivate the Managers thanks to its structure and overall amount and helping, developing and maintaining a dynamic and engaged talent pool;
- the compensation package must be competitive, taking into account national and international standards, so that the Company, and the Group, can meet its strategic objectives within the increasingly competitive environment in which it operates;
- the compensation package is focused on achieving sustainable financial results, aligned with long-term strategy of the Company and foster alignment of interests of management with shareholders and other stakeholders including customers, employees and wider society;
- maintaining an annual variable remuneration linked to individual performance and the overall performance of the Company and its group of companies;
- consistency of the remuneration structure and performance metrics to build a cohesive culture, facilitate rotation of management, encourage teamwork and establish common approach to drive Company success, mirroring our approach to our customers to operate efficiently and responsibly;
- fostering sustained creation of value over time. The remuneration includes long-term variable components encouraging the Managers to meet the targets in a sustainable way over time and retain the executive director; and
- taking into account any feedback received from investors and other stakeholders.

Overview of remuneration and components

The Managers receive a remuneration composed of:

- a fixed base compensation; and
- variable elements, being a mix of an annual bonus (in cash) (the "**Annual Bonus**") and award shares based long-term incentive plans (the "**Incentive Plans**").

The Annual Bonus is calculated on the basis of the annual fixed base compensation and is set at 50% of the annual fixed base compensation for the Managers and 60% for the CEO. The amounts and percentages for variable remuneration are based on pre-established goals and targets relating to the Company's performance, revised on an annual basis. In 2019, MBMs' objectives were a combination of Company's target revenues, EBITDA, Free Cashflow to Equity and Net Promoter Score (weighting 75%) as well as an evaluation of their individual management and performance by the CEO (25% weight).

The Incentive Plans are focused on aligning the interests of the Managers and key employees of the Subsidiary on continuous and long-term value generation, encouraging personal ownership of Company's shares by senior management. The Incentive Plans of the Group last 5 years each. The start date of the program is set individually, being correlated with long-term program start date or individually agreed start date, related to the date of joining the Company.

Further details of the Incentive Plans applicable to the Managers and key employees of the Subsidiary are set out in Annex 1.

The Managers are also entitled to benefits in kind such as healthcare benefits, life insurance, social fund benefits, and other allowances.

The Remuneration and Nomination Committee and the Board ensure that the performance metrics used in the Company's Incentive Plans hold the Managers accountable for the successful delivery of the strategic plan. Therefore, it is the Board's view that the variable components should be directly linked to the Company's strategic objectives and key performance indicators, *i.e.* a combination of financial and non-financial performance measures and individual performance objectives.

Implementation and review of the Remuneration Policy

Remuneration and Nomination Committee and Board

The principles and criteria for the Remuneration Policy are permanently reviewed by the Remuneration and Nomination Committee of the Company and approved by the Board within the framework of their powers to maintain the alignment of the Company's remuneration policy with the best practices and trends in the market.

The tasks of the Remuneration and Nomination Committee consist of, amongst other:

(a) the preparation and periodical review of the Group's Remuneration Policy and principles and the performance criteria related to compensation and the periodical review of their implementation as well as the submission of proposals and recommendations to the Board, and

(b) the preparation of all relevant decisions of the Board in relation to the nomination of the members of the Board and of the management bodies of subsidiaries as well as submission of proposals and recommendations to the Board. The Board may delegate further powers and duties to the Remuneration and Nomination Committee.

Shareholders' Approval

The Remuneration Policy is submitted to a consultative vote of the shareholders of the Company at the annual general meeting of shareholders. If the shareholders of the Company do not approve the

Remuneration Policy, a new version of the Remuneration Policy shall be submitted at the next general meeting of shareholders.

The Remuneration Policy shall also be submitted to the vote of the shareholders of the Company upon any material change thereto and, at least, once every four years.

Annex 1 – Overview of incentive plans

Performance Incentive Program 1 (“**PIP 1**”) and Value Development Plan 4 (“**VDP4**”)	On the date of the IPO of the Company (27 July 2017), the Managers have entered into new equity-settled PIP 1 and key employees of the Subsidiary (at the date of the IPO) have entered into new equity-settled VDP4. Under the PIP 1 the members of the Management Board of P4 purchased a number of shares of the Company on the date of the IPO (the “**Original Shares**”) at a price per share equal to the IPO price (*i.e.*, 36 PLN per share). Under the VDP4, the members of the scheme received a number of shares of the Company (“**Original Shares**”) without any consideration being due paid up out of available reserves. Based on the rules of PIP1 and VDP4, the members of the PIP 1 and VDP4 are entitled to receive “**Award Shares**” on the first to fifth anniversaries of the IPO, subject to the respective conditions of the schemes. The memwbers of the schemes are entitled to receive Award Shares with maximum number: of 0.10, 0.15, 0.20, 0.25 and 0.30 Award Shares per Original Share held by or on behalf of a member respectively on the first, second, third, fourth and fifth anniversary of the IPO Date, subject to the performance measures indicated in the rules of PIP 1 and VDP4 being met. The exact number of Award Shares will depend on the performance measures, i.e. the value of the Company’s shares in comparison to other companies among WIG20 index and the set group of companies (comprising selected European telecommunications companies), measured with the total shareholders reward (in relation to a company, the change of such company’s market capitalization over the relevant performance period, plus any dividends or any other cash payments to the company’s shareholders, other than in respect of services provided, expressed as a percentage of the opening value at the start of the relevant performance period). 50% of the multiple will depend on WIG20 percentage and the other 50% of the multiple will depend on set companies percentage. There are certain lock-up arrangements on Original Shares and on Award Shares. The percentage of Original Shares subject to lock-up is 100%, 80% and 40% in the periods commencing on the IPO date and ending on respectively the first, second and third IPO anniversary. The percentage of Award Shares subject to lock-up is 100% and 50% in the periods commencing on the date of issuance of the Award Shares and ending on respectively the first and second anniversary of the date of issuance of the Award Shares.
Performance Incentive Program 2 (“**PIP 2**”)	PIP 2 was set up during the financial year 2018 as a new equity-settled performance incentive plan. Under the PIP 2, members of the program can be granted shares of the Company (“**Initial Investment Shares**”)

	without consideration paid up out of available reserves. Subject to the conditions set out in the PIP 2, on the first to third anniversaries of the issue date of the Initial Investment Shares, the members of PIP 2 will be entitled to receive "**Loyalty Investment Shares**", provided that the members of PIP 2 as still employee of the Group. Members of PIP 2 will be entitled to receive the Loyalty Investment Shares in the amount of 20% of the number of Initial Investment Shares, 35% of the number of Initial Investment Shares and 45% of the number of Initial Investment Shares, respectively on the first, second and third anniversary of the Initial Investment Shares Issue Date, respectively. An Investment Share held by or on behalf of the member for at least 365 consecutive days as at the Award Share issue date becomes a Qualifying Investment Share. On the first to fifth anniversaries of the Start Date (*i.e.*, July 27, 2018) the members of PIP 2 will be entitled to receive Award Shares (subject to the conditions of PIP 2, including the holding of Qualifying Investment Share). Subject to the rules of PIP 2, the members of the scheme will be entitled to receive Award Shares with maximum number: of 0.20, 0.30, 0.40, 0.50 and 0.60 Award Shares per Qualifying Investments Share held by or on behalf of a member respectively on the first, second, third, fourth and fifth anniversary of the Start Date. The exact number of Award Shares attributed will depend on the performance measures, *i.e.*, the value of the Company's shares in comparison to other companies among WIG20 index and the set group of companies (comprising selected European telecommunications companies), measured with the total shareholders reward (in relation to a company, the change of such company's market capitalization over the relevant performance period, plus any dividends or any other cash payments to the company's shareholders, other than in respect of services provided, expressed as a percentage of the opening value at the start of the relevant performance period). 50% of the multiple will depend on WIG20 percentage and the other 50% of the multiple will depend on set companies percentage. There are certain lock-up arrangements on Initial Investment Shares, Loyalty Investment Shares and Award Shares. The percentage of Initial Investment Shares subject to lock-up is 100%, 80% and 40% in the periods commencing on the Initial Investment Shares Issue Date and ending on respectively the first, second and third anniversary of the Initial Investment Shares Issue Date. The percentage of Loyalty Investment Shares subject to lock-up is 100%, 80% and 40% in the periods commencing on the Loyalty Investment Shares Issue Date and ending on respectively the first, second and third anniversary of the Loyalty Investment Shares Issue Date. The percentage of Award Shares subject to lock-up is 100% and 50% in the periods commencing on the date of issuance of the Award Shares and ending on respectively the first and second anniversary of the date of issuance of the Award Shares.
Performance Incentive	PIP 3 was set up during the financial year 2019 as a new equity-settled

Program 3 ("**PIP 3**")	performance incentive plan. Under the PIP 3, members of the program can be granted shares of the Company ("**Investment Shares**") without consideration paid up out of available reserves. Subject to the conditions set out in the PIP 3, members of PIP 3 will be entitled to receive the Investment Shares in the amount of 10% of the number of Investment Shares, 15% of the number of Investment Shares, 20% of the number of Investment Shares, 25% of the number of Investment Shares and 30% of the number of Investment Shares, respectively on the start date of the PIP 3, first, second, third and fourth anniversary of the Start Date of the PIP 3, respectively. Subject to the rules of PIP 3, the members of the scheme will be entitled to receive Award Shares with maximum number: of 0.20, 0.30, 0.40, 0.50 and 0.60 Award Shares per Investments Shares held by or on behalf of a member respectively on the day before the first, second, third, fourth and fifth anniversary of the Start Date. The exact number of Award Shares attributed will depend on the performance measures, *i.e.*, the value of the Company's shares in comparison to other companies among WIG20 index and the set group of companies (comprising selected European telecommunications companies), measured with the total shareholders reward (in relation to a company, the change of such company's market capitalization over the relevant performance period, plus any dividends or any other cash payments to the company's shareholders, other than in respect of services provided, expressed as a percentage of the opening value at the start of the relevant performance period). 50% of the multiple will depend on WIG20 percentage and the other 50% of the multiple will depend on set companies percentage. There are certain lock-up arrangements on Investment Shares and Award Shares. The percentage of Investment Shares subject to lock-up is 100%, 80%, 40% and 0% in the periods commencing on the start date of the PIP 3 and ending on respectively the day before the start date of the PIP 3, first, second and third anniversary of the Investment Shares Issue Date. The percentage of Award Shares subject to lock-up is 100% and 50% in the periods commencing on the relevant date of issuance of the Award Shares and ending on respectively the day before the first and second anniversary of the relevant date of issuance of the Award Shares.
Value Development Program 4*bis* ("**VDP 4 bis**")	VDP 4 bis was set up during the financial year 2018 as a new equity-settled value development program designed for promoted employees and new key employees joining the Group and is similar to VDP 4 but without underlying original shares. Under the VDP 4 bis the members of the scheme were conditionally entitled to receive a respective portion of Maximum Number of Award Shares at the end of each Performance Period without consideration paid up out of available reserves. On the first to fifth anniversaries of the IPO date the members of VDP 4 bis schemes will receive Award Shares, subject to the conditions of VDP

	4 bis. Any member joining VDP 4 bis after commencement of the first or subsequent performance period shall not be entitled to receive the relevant portion of the Award Shares for already completed performance period(s); however, shall be entitled to receive the relevant full portion of the Award Shares for commenced performance period during which they joined VDP4 bis. The exact number of Award Shares will depend on the performance measures, i.e. the value of the Company's shares in comparison to other companies among WIG20 index and the set group of companies (comprising selected European telecommunications companies), measured with the total shareholders reward (in relation to a company, the change of such company's market capitalization over the relevant performance period, plus any dividends or any other cash payments to the company's shareholders, other than in respect of services provided, expressed as a percentage of the opening value at the start of the relevant performance period). 50% of the multiple will depend on WIG20 percentage and the other 50% of the multiple will depend on set companies percentage. There are certain lock-up arrangements on Award Shares. The percentage of Award Shares subject to lock-up is 100% and 50% in the periods commencing on the date of issuance of the Award Shares and ending on respectively the first and second anniversary of the date of issuance of the Award Shares.