

**REPORT ON REMUNERATION
OF MEMBERS OF THE MANAGEMENT BOARD
AND SUPERVISORY BOARD OF
KRUK S.A. OF WROCŁAW
IN 2019 AND 2020**

Section 1. Legal basis

The legal basis of this Report on Remuneration of Members of the Management Board and Supervisory Board of KRUK S.A. is Art. 90g of the Act of July 29th 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the “Act”) and Art. 36 of the Act of October 16th 2019 Amending the Act of July 29th 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

This Report covers the financial years 2019 and 2020 and presents information on remuneration awarded in accordance with the applicable internal regulations and corporate governance procedures, in particular the Remuneration Policy for Members of the Management Board and Supervisory Board of KRUK S.A. of Wrocław.

Section 2. Definitions

Act	the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005
Company	KRUK S.A. of Wrocław
Policy	the Remuneration Policy for Members of the Management Board and Supervisory Board of KRUK S.A. of Wrocław; the Policy is available at: https://pl.kruk.eu/media/file/file/2_zadoprojektu26uchwayzwz_politykawynagrodzen_31082020-1.pdf
Report	this Report on Remuneration of Members of the Management Board and Supervisory Board of KRUK S.A. of Wrocław for the years 2019 and 2020

Section 3. Aggregate remuneration broken down into the components referred to in Art. 90d.3.1 of the Act, and the proportion between the components (Art. 90g.2.1 and Art. 90g.5 of the Act)

Remuneration for Members of the KRUK S.A. Management Board is divided into fixed and variable components.

The fixed components of a Management Board Member’s remuneration include the fixed monthly base pay under the management contract. A Management Board Member’s fixed base pay also includes remuneration for serving on the supervisory boards of KRUK Group companies, if they serve in that capacity, and the Management Board Member does not receive any additional remuneration on account of their membership of those supervisory boards unless the applicable laws require that such services be remunerated.

The other components of a Management Board Member’s remuneration are other cash and non-cash benefits. For the purposes of this Report, they are classified as fixed components of remuneration, with the exception of old age pension, disability pension, accident insurance, Employment Fund and Guaranteed Employee Benefits Fund contributions financed by the Company, which are presented in a separate category, but for the purposes of calculating remuneration proportions they are classified as a fixed remuneration component.

The Company also pays premiums for the liability insurance covering all members of the management boards and supervisory boards of the KRUK Group companies. As the insurance policy does not break down the amount of insurance benefits by the individual insured, it is not included in the specifications below.

Variable components of a Management Board Member's remuneration include bonuses and warrants.

A Supervisory Board Member receives fixed monthly remuneration for each calendar month of service on the Supervisory Board. Remuneration of Supervisory Board Members also includes remuneration for their serving on the supervisory boards of KRUK Group companies, if a given Supervisory Board Member serves in that capacity, and such Supervisory Board Members does not receive any additional remuneration on account of their membership of those supervisory boards, unless the applicable laws require that such service be remunerated. Supervisory Board Members are reimbursed for any expenses incurred in connection with their participation in the Supervisory Board's activities, including, without limitation, costs of travel, accommodation and meals.

The Remuneration Policy does not provide for variable remuneration components for Supervisory Board Members.

a) Piotr Krupa, President of the Management Board

	2019	2020
Fixed remuneration components, including:	PLN 2,408,625.60	PLN 2,258,685.00
- Contract remuneration	PLN 2,400,000.00	PLN 2,250,000.00
- Company car*	PLN 4,800.00	PLN 4,800.00
- Medical package	PLN 309.96	PLN 322.86
- Medical package for close persons	PLN 1,115.64	PLN 1,162.14
- NNW (automobile accident insurance) premium	PLN 2,400.00	PLN 2,400.00
Variable remuneration components, including bonuses	-	-

Piotr Krupa's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

b) Piotr Kowalewski, Member of the Management Board

	2020
Fixed remuneration components, including:	PLN 346,638.01
- Contract remuneration	PLN 336,516.13
- Company car*	PLN 2,746.67
- Medical package	PLN 189.84
- Participation in an employee capital plan (PPK)	PLN 5,102.03
- Medical package for close persons	PLN 683.34
- NNW (automobile accident insurance) premium	PLN 1,400.00
Variable remuneration components, including bonuses	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 19,277.52

Piotr Kowalewski has served as Member of the Management Board since May 29th 2020.

Piotr Kowalewski's 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

c) Adam Łodygowski, Member of the Management Board

	2020
Fixed remuneration components, including:	PLN 119,993.53
- Contract remuneration	PLN 117,333.33
- Company car*	PLN 466.67
- Medical package	PLN 27.12
- Participation in an employee capital plan (PPK)	PLN 1,766.41
- NNW (automobile accident insurance) premium	PLN 400.00
Variable remuneration components, including bonuses	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 14,200.44

Adam Łodygowski has served as Member of the Management Board since November 6th 2020.

Adam Łodygowski's 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

d) Urszula Okarma, Member of the Management Board

	2019	2020
Fixed remuneration components, including:	PLN 775,509.96	PLN 727,522.86
- Contract remuneration	PLN 768,000.00	PLN 720,000.00
- Company car*	PLN 4,800.00	PLN 4,800.00
- Medical package	PLN 309.96	PLN 322.86
- NNW (automobile accident insurance) premium	PLN 2,400.00	PLN 2,400.00
Variable remuneration components, including bonuses	-	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 48,137.79	PLN 48,846.22

Urszula Okarma's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

e) Michał Zasepa, Member of the Management Board

	2019	2020
Fixed remuneration components, including:	PLN 841,141.00	PLN 803,708.73
- Contract remuneration	PLN 768,000.00	PLN 720,000.00
- Company car*	PLN 4,800.00	PLN 4,800.00
- Medical package	PLN 4,640.40	PLN 4,640.40
- Participation in an employee capital plan (PPK)	PLN 2,087.77	PLN 11,842.00
- Flat rental	PLN 59,212.83	PLN 60,026.33
- NNW (automobile accident insurance) premium	PLN 2,400.00	PLN 2,400.00
Variable remuneration components, including bonuses	-	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 50,183.90	PLN 50,918.12

Michał Zasepa's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

f) Agnieszka Kułton, former Member of the Management Board

	2019	2020
Fixed remuneration components, including:	PLN 776,625.60	PLN 1,050,244.08
- Contract remuneration	PLN 768,000.00	PLN 299,354.84
- Additional remuneration and non-compete compensation	-	PLN 747,354.84
- Company car*	PLN 4,800.00	PLN 1,922.58
- Medical package	PLN 309.96	PLN 133.02
- Medical package for close persons	PLN 1,115.64	PLN 478.80
- NNW (automobile accident insurance) premium	PLN 2,400.00	PLN 1,000.00
Variable remuneration components, including bonuses	-	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 48,173.78	PLN 57,201.70

Agnieszka Kułton served as Member of the Management Board until May 28th 2020.

Agnieszka Kułton's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

g) Iwona Słomska, former Member of the Management Board

	2019	2020
Fixed remuneration components, including:	PLN 775,509.96	PLN 1,044,335.65
- Contract remuneration	PLN 768,000.00	PLN 400,000.00
- Additional remuneration and non-compete compensation	-	PLN 640,000.00
- Company car*	PLN 4,800.00	PLN 2,748.39
- Medical package	PLN 309.96	PLN 187.26
- NNW (automobile accident insurance) premium	PLN 2,400.00	PLN 1,400.00
Variable remuneration components, including bonuses	-	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 48,137.79	PLN 56,998.54

Iwona Słomska served as Member of the Management Board until July 31st 2020.

Iwona Słomska's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

h) Piotr Stępniaak, Chairman of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 218,118.24	PLN 219,981.22
- Base pay	PLN 216,503.04	PLN 218,353.05
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 1,615.20	PLN 1,628.17
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 12,473.01	PLN 12,737.82

Piotr Stępniaak's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

i) Katarzyna Beuch, Member of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 109,422.31	PLN 109,176.54
- Base pay	PLN 108,251.52	PLN 109,176.54
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 1,170.79	-
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 20,472.92	PLN 20,426.97

Katarzyna Beuch's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

j) Tomasz Bieske, Member of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 115,400.79	PLN 111,218.48
- Base pay	PLN 108,251.52	PLN 109,176.54
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 7,149.27	PLN 2,041.94
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 4,456.82	PLN 5,263.28

Tomasz Bieske's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

k) Krzysztof Kawalec, Member of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 132,251.52	PLN 133,176.54
- Base pay	PLN 108,251.52	PLN 109,176.54
- Reimbursement of costs related to participation in the work of the Supervisory Board	-	-
- Remuneration from KRUK TFI	PLN 24,000	PLN 24,000
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 8,075.35	PLN 7,849.64

Krzysztof Kawalec's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

l) Mateusz Melich, Member of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 65,974.55	PLN 112,985.28
- Base pay	PLN 60,168.40	PLN 109,176.54
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 5,500.78	PLN 2,138.99
- Participation in an employee capital plan (PPK)	PLN 305.37	PLN 1,669.75
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 12,286.72	PLN 20,827.16

Mateusz Melich has served as Member of the Supervisory Board since June 25th 2019.

Mateusz Melich's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

m) Ewa Radkowska-Świętoń, Member of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 68,132.88	PLN 112,156.18
- Base pay	PLN 60,168.40	PLN 109,176.54
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 7,964.48	PLN 2,979.64
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 10,937.77	PLN 20,984.45

Ewa Radkowska-Świętoń has served as Member of the Supervisory Board since June 25th 2019.

Ewa Radkowska-Świętoń's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

n) Piotr Szczepiórkowski – Member of the Supervisory Board

	2019	2020
Fixed remuneration components, including:	PLN 66,733.67	PLN 113,601.53
- Base pay	PLN 60,168.40	PLN 109,176.54
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 6,251.29	PLN 2,746.14
- Participation in an employee capital plan (PPK)	PLN 313.98	PLN 1,678.85
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 10,601.56	PLN 9,660.49

Piotr Szczepiórkowski has served as Member of the Supervisory Board since June 25th 2019.

Piotr Szczepiórkowski's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

o) Arkadiusz Jastrzębski, former Member of the Supervisory Board

	2019
Fixed remuneration components, including:	PLN 49,743.00
- Base pay	PLN 48,083.12
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 1,659.88
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 9,306.92

Arkadiusz Jastrzębski served as Member of the Supervisory Board until June 25th 2019.

Arkadiusz Jastrzębski's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

p) Robert Koński, former Member of the Supervisory Board

	2019
Fixed remuneration components, including:	PLN 49,603.78
- Base pay	PLN 48,083.12
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 1,520.66
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 9,280.87

Robert Koński served as Member of the Supervisory Board until June 25th 2019.

Robert Koński's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

q) Józef Wancer, former Member of the Supervisory Board

	2019
Fixed remuneration components, including:	PLN 50,818.44
- Base pay	PLN 48,083.12
- Reimbursement of costs related to participation in the work of the Supervisory Board	PLN 2,735.32
Contributions for old age pension, disability pension and accident insurance, Employment Fund and Guaranteed Employee Benefits Fund financed by the Company	PLN 1,593.99

Józef Wancer served as Member of the Supervisory Board until June 25th 2019.

Józef Wancer's 2019 and 2020 remuneration structure:

Fixed remuneration components: 100%, variable remuneration components: 0%.

*The monetary value of the allowance for the use of a company car for private purposes is set as income within the meaning of Article 12.2a of the PIT Act of July 26th 1991.

Section 4. Explanation of how the aggregate remuneration complies with the adopted Remuneration Policy, including how it contributes to the achievement of long-term results of KRUK S.A. (Art. 90g.2.2 of the Act)

The Policy was adopted by General Meeting's Resolution No. 25/2020 on August 31st 2020, with effect as of that date.

Pursuant to Section 19.1 of the Policy, in establishing and implementing the Policy the then existing practices of payment of remuneration and other benefits to the Members of the Management Board and Supervisory Board were taken into account and, where necessary, clarified in the Policy. Hence, the remuneration paid to the Members of the Management Board and Supervisory Board in the period from January 1st 2019 to August 30th 2020 was in principle in line with the Policy.

a) Members of the Management Board

Between August 31st 2020 (effective date of the Policy) and December 31st 2020, the fixed remuneration paid to the Management Board Members was in line with the Policy, i.e. the remuneration of a Management Board Member was appropriate for the function performed by a given Management Board Member, as well as for the scale of KRUK S.A.'s operations and complexity of its organisational structure and business activity.

The Supervisory Board did not decide to pay bonuses to the Management Board Members for 2019 and 2020.

Some of the Management Board Members became entitled to acquire subscription warrants ("2014 Warrants" as defined in Section 2 of the Policy) in connection with fulfilment of the conditions set out in Resolution No. 26/2014 of the KRUK S.A. Annual General Meeting of May 28th 2014, as amended (the "2014 Resolution" as defined in Section 2 of the Policy). Making the allotment of the 2014 Warrants to Management Board Members conditional on KRUK S.A.'s consolidated results, as specified in Section 17 and Section 20.7 of the Policy (including conditional upon reaching a specific level of earnings per share for Kruk S.A.), is designed to encourage the Management Board's involvement in the effective management of KRUK S.A.'s affairs with a view to maximising the KRUK Group's long-term profits and minimising the degree of high risk taking, with a positive effect on the long-term interests, stability and delivery of the business strategy of KRUK S.A. Incentive schemes are designed in such a way as to tie the remuneration of Management Board Members to the actual long-term financial condition of KRUK S.A. and long-term growth in shareholder value, as well as the Company's stability, which is designed to support the delivery of its business strategy.

b) Members of the Supervisory Board

Remuneration of the Supervisory Board Members comprises exclusively fixed components and is not linked to KRUK's performance, as stipulated in Section 5.4 and Section 17.5 of the Policy.

Section 5. Information on how the performance criteria were applied (Art. 90g.2.3 of the Act)

2014 Warrants for a given financial year are granted to Management Board Members on condition that the annual EPS (calculated on the basis of the Group's consolidated financial statements) increases at a CAGR of no less than 13% relative to the base year. This criterion was applied in both 2019 and 2020.

In April 2020, all members of the Management Board submitted individual representations and signed supplementing agreements to their management contracts, under which, in connection with the epidemic in Poland and globally and its potential negative impact on the future performance of KRUK S.A. and the entire KRUK Group, their remuneration under management contracts was reduced by 25% from May to July 2020.

The Supervisory Board did not grant bonuses to the members of the Management Board in 2019 and 2020.

Bonuses for Management Board members are awarded at the sole discretion of the Supervisory Board. For the avoidance of doubt, the above means that a Management Board Member does not acquire the

right to claim the payment of a bonus during the term of their holding the position on the Management Board, in particular on the basis of their performance or execution of tasks assigned to them.

In April 2020, all members of the Supervisory Board submitted individual representations to the effect that in connection with the epidemic in Poland and globally and its potential negative impact on the future performance of KRUK S.A. and the entire KRUK Group, their remuneration payable under Section 1 of Resolution No. 26/2019 of the KRUK S.A. Annual General Meeting of June 25th 2019 should be reduced by 25% from May to July 2020.

Section 6. Information about year-on-year change in remuneration, KRUK S.A.'s performance and average remuneration of KRUK S.A. employees other than members of the Management or Supervisory Boards, for at least five most recent financial years, in aggregate, in a manner that permits comparison (Art. 90g.2.4 the Act)

In accordance with Art. 90g.2.4 in conjunction with Art. 90g.3 of the Act, the figures for 2019 and 2020 are shown below. The figures for earlier financial years, for which the Supervisory Board was not obliged to prepare the Report, are not presented.

<i>Year-on-year change</i>	Term of office	2019	2020
Total remuneration of Management Board Members			
Piotr Krupa	Since January 1st 2019	2,408,626	2,258,685
<i>y/y change</i>			-6.2%
Piotr Kowalewski	Since May 29th 2020	-	365,916*
<i>y/y change</i>			<i>not applicable</i>
Adam Łodygowski	Since November 6th 2020	-	134,194*
<i>y/y change</i>			<i>not applicable</i>
Urszula Okarma	Since January 1st 2019	823,648	776,369
<i>y/y change</i>			-5.7%
Michał Zasępa	Since January 1st 2019	891,325	854,627
<i>y/y change</i>			-4.1%
Agnieszka Kułton	January 1st 2019 – May 28th 2020	824,799	1,107,446**
<i>y/y change</i>			34.3%
Iwona Słomska	January 1st 2019 – July 31st 2020	823,648	1,101,334**
<i>y/y change</i>		-	33.7%
Total remuneration of the Supervisory Board members			
Piotr Stępniaak	Since January 1st 2019	230,591	232,719
<i>y/y change</i>			0.9%
Katarzyna Beuch	Since January 1st 2019	129,895	129,604
<i>y/y change</i>			-0.2%
Tomasz Bieske	Since January 1st 2019	119,858	116,482
<i>y/y change</i>			-2.8%
Krzysztof Kawalec	Since January 1st 2019	140,327	141,026
<i>y/y change</i>			0.5%
Mateusz Melich	Since June 25th 2019	78,261*	133,812
<i>y/y change</i>			71%
Ewa Radkowska-Świętoń	Since June 25th 2019	79,071*	133,141
<i>y/y change</i>			68.4%
Piotr Szczepiórkowski	Since June 25th 2019	77,335*	123,262
<i>y/y change</i>			59.4%
Arkadiusz Jastrzębski	January 1st 2019 – June 25th 2019	59,050*	-
<i>y/y change</i>			<i>not applicable</i>
Robert Koński	January 1st 2019 – June 25th 2019	58,885*	-
<i>y/y change</i>			<i>not applicable</i>
Józef Wancer	January 1st 2019 – June 25th 2019	52,412*	-
<i>y/y change</i>			<i>not applicable</i>
Financial highlights			
KRUK S.A.'s net profit		276,390	81,356
<i>y/y change</i>			-70.6%
Average annual remuneration of other Kruk S.A. employees			

Average annual remuneration of employees other than Management Board or Supervisory Board members		77,087	83,449
y/y change			8.3%

* Actual, not annualised data, due to the term of office not covering a full financial year.

** Actual, not annualised data, due to the term of office not covering a full financial year. The remuneration includes additional remuneration and non-compete compensation.

Section 7. Remuneration received from entities of the same corporate group within the meaning of the Accounting Act of September 29th 1994 (Dz.U. of 2021, item 217, as amended) (Art. 90g.2.5 of the Act)

In 2019 and 2020, none of the Management Board members received any remuneration from the KRUK Group companies.

In 2019 and 2020, with the exception of Krzysztof Kawalec, none of the Supervisory Board members received any remuneration from the KRUK Group companies.

In 2019 and 2020, in accordance with the KRUK S.A. Policy and the remuneration policy of KRUK Towarzystwo Funduszy Inwestycyjnych S.A., Krzysztof Kawalec, Member of the Supervisory Board, received remuneration from KRUK Towarzystwo Funduszy Inwestycyjnych S.A. for his holding a position on that company's Supervisory Board, in the amount specified in Section 1.i of this Report (item "Remuneration from KRUK TFI").

Section 8. Number of financial instruments granted or offered and the main terms of exercise of rights attached to those instruments, including the price and exercise date and changes thereto (Art. 90g.2.6 of the Act)

a) Number of financial instruments granted to Management Board Members and the main terms of exercise of rights attached to those instruments

The term of exercise of the rights attached to those instruments (subscription warrants; see "2014 Warrants", as defined in Section 2 of the Policy) are set out in Section 20.7 of the Policy and in Resolution No. 26/2014 of the KRUK S.A. Annual General Meeting of May 28th 2014, as amended (see "2014 Resolution" as defined in Section 2 of the Policy).

In accordance with the Policy, the award of the 2014 Warrants to Members of the Management Board in 2020–2021 (Tranche 5) is conditional on the Company's performance in the financial year 2019 in terms of an appropriate increase in earnings per Company share (EPS). EPS reflect an increase in the Company's consolidated net profit, providing an incentive for the Management Board Members to deliver the Company's business strategy and further its long-term interests. The conditions for acquiring the Warrants are achievable, measurable, precisely defined and time-bound, which is conducive to the Company's stability and encourages taking management decisions within the limits of acceptable economic risk. The conditions may also serve as an appropriate tool for assessing the work of the Management Board Members.

The Rules of the 2015–2019 Incentive Scheme adopted by the Supervisory Board provide that a person who has acquired KRUK S.A. shares in the exercise of rights conferred by the

2014 Warrants has the right to request, in May or October each year, that KRUK S.A. introduce those shares to trading on the regulated market on which KRUK S.A. shares are listed, within six months from the date of such request.

If the shares are not introduced to trading on that market within the time limit specified above, KRUK S.A. is obliged to repurchase the shares from the requesting person within six months from the date of the request with a view to their cancellation or to procure the purchase of those shares by a third party within that time limit.

Such repurchase/purchase takes place at a price not lower than the closing price of KRUK S.A. shares on the date of the request.

The rights to acquire Company shares under the 2014 Warrants may be exercised no earlier than after 12 months from the date of acquisition of a given 2014 Warrant and no later than by December 31st 2022.

On August 3rd 2020, the Supervisory Board adopted Resolution No. 25/2020, in which it gave a positive opinion on the proposal to extend the current incentive scheme for the members of the Management Board, included in the draft resolutions of the Annual General Meeting called for August 31st 2020. The General Meeting accepted the Supervisory Board's recommendation and on August 31st 2020 adopted Resolution No. 23/2020 to extend the current incentive scheme for members of the Management Board, with the terms as described above, in particular without launching a new incentive scheme.

The following numbers of 2014 Warrants were granted to the members of the Management Board in 2019 and 2020:

2019	Number of 2014 Warrants granted	Issue price of shares to be acquired under the 2014 Warrants	2014 Warrants delivery date	Number of 2014 Warrants converted into shares and date of conversion
Piotr Krupa	20,564	PLN 83.52	September 10th 2019	2014 Warrants granted to the Management Board Members in 2019 are yet to be converted into shares.
Michał Zasępa	17,301			
Urszula Okarma	17,301			
Agnieszka Kułton	17,301			
Iwona Słomska	17,301			

2020	Number of 2014 Warrants granted	Issue price of shares to be acquired under the 2014 Warrants	2014 Warrants delivery date	Number of 2014 Warrants converted into shares and date of conversion
Piotr Krupa	20,000	PLN 83.52	September 24th 2020	2014 Warrants granted to the Management Board Members in 2020 are yet to be converted into shares.
Michał Zasępa	16,250			
Urszula Okarma	16,250			
Piotr Kowalewski	6,596			
Adam Łodygowski	-			
Agnieszka Kułton	16,250			
Iwona Słomska	16,250			

b) Numbers of financial instruments granted to the Supervisory Board Members

Pursuant to Section 17.5 of the Policy, no financial instruments may be granted or offered to the Supervisory Board Members.

Section 9. Information on the right to reclaim variable remuneration components (Art. 90g.2.7 of the Act)

The Policy does not provide for the right to reclaim variable remuneration components.

Section 10. Derogations from the Policy implementation procedure and derogations applied pursuant to Art. 90f of the Act, including an explanation of the rationale and procedure, and indication of the elements in respect of which the derogations were applied (Art. 90g.2.8 of the Act)

No derogations from the Policy were applied in 2019 and 2020.

Section 11. Auditor's report

In accordance with the requirements of Art. 90g.10 of the Act, the Report on Remuneration is subject to assessment by a statutory auditor as regards disclosure of the information required under Art. 90g.1 to 90g.5 and 90g.8 of the Act.

Piotr Stępnik – Chairman of the Supervisory Board

Katarzyna Beuch – Member of the Supervisory Board

Tomasz Bieske – Member of the Supervisory Board

Krzysztof Kawalec – Member of the Supervisory Board

Mateusz Melich – Member of the Supervisory Board

Ewa Radkowska-Świętoń – Member of the Supervisory Board

Piotr Szczepiórkowski – Member of the Supervisory Board

