

Justification
to the determination of a different amount of the fixed part of remuneration
for CHP Energia Sp. z o.o. management board members

Pursuant to the Act of 9 June 2016 on the Principles of Shaping the Remuneration of Managers of Certain Companies ("Act"), the draft resolution on the principles of shaping the remuneration of members of company governing bodies may provide for a part of their fixed remuneration to be different from that determined on the basis of customary parameters (revenues, employment, assets, etc.), if it is justified by exceptional circumstances related to the company or the market on which it operates, in particular if the company:

- 1) Pursues a programme of consolidation of companies in its capital group leading to a significant change in the structure of its assets or revenues;
- 2) Implements an investment programme significantly exceeding the value of its fixed assets;
- 3) Implements a restructuring programme with a time horizon of at least 3 years, leading to a significant change in the structure of the company's assets or revenues;
- 4) Has its registered address outside the Republic of Poland or the rules of its activity are set out in an international agreement binding on the Republic of Poland;
- 5) Has been in operation for less than a year;
- 6) Was established for the purpose of implementing a project, in particular one subsidized with contributions from the budget of the European Union or non-reimbursable aid from the Member States of the European Free Trade Agreement (EFTA) or from other non-reimbursable foreign sources.

In the case of CHP Energia Sp. z o.o., there were grounds specified in Article 4 (3) (3) of the Act that justified setting a different amount of the fixed part of remuneration of members of the company's management board and adjusting them to the market level, in accordance with the benchmark, as well as the company's development plans. The company is planning to integrate the companies BIOZEC sp. z o.o. and Bioenergy Project sp. z o.o. still in 2021.