

# 2021 Remuneration Report

**GLOBE TRADE CENTRE S.A.**

Warsaw, April 2022

## 1. INTRODUCTION

This Annual Remuneration Report (hereinafter the “**Report**”) has been prepared in accordance with the provisions of Article 90g of the Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Polish Companies dated 29 July 2005 (hereinafter the “**Act**”).

The Report provides an overview of the remuneration model of Globe Trade Centre S.A. (hereinafter the “**Company**”) as it reflects the total remuneration of the members of the Management Board of the Company (hereinafter the “**Management Board**”) and the members of the Supervisory Board of the Company (hereinafter the “**Supervisory Board**”) and explains how the Company’s Remuneration Policy (hereinafter the “**Remuneration Policy**”) was applied during the 2021 financial year. The Remuneration Policy was approved by the shareholders by way of a vote at the Annual General Meeting of the Company’s Shareholders (hereinafter the “**AGM**”), which took place on 27 August 2020. The Remuneration Policy will remain in place for four (4) financial years from the date of its approval unless the AGM approves a new policy during this period.

The report presents data for 2021 and comparable data for 2020. The prior years were not covered by the Remuneration Policy.

In accordance with the Act, the Report will be made available on the Company’s corporate website (<https://ir.gtc.com.pl/>) for a period of ten years following the AGM.

## 2. CHANGES IN THE MANAGEMENT BOARD AND SUPERVISORY BOARD

In 2021, there were changes in the Management Board and Supervisory Board. As of 31 December 2021, the Management Board of the Company consisted of three members as presented in the table below:

MANAGEMENT BOARD AS OF 31 DECEMBER 2021	
Name	Term
Yovav Carmi	From 16 April 2020 Appointed as President of the Management Board on 18 September 2020
Ariel Alejandro Ferstman	From 28 July 2020
Gyula Nagy	From 1 July 2020

The table below lists the Management Board members who sat on the Management Board during 2021:

Name	Term
Robert Snow	Until 28 October 2021

As of 31 December 2021, the Supervisory Board consisted of eight members as presented in the table below:

<b>SUPERVISORY BOARD AS OF 31 DECEMBER 2021</b>	
<b>Name</b>	<b>Term</b>
János Péter Bartha	From 23 June 2020
Lóránt Dudás	From 8 December 2020
Zoltán Fekete	From 23 June 2020
Balázs Figura	From 23 June 2020
Mariusz Grendowicz	From 2000
Marcin Murawski	From March 2013
Daniel Obajtek	From 30 December 2021
Bálint Szécsényi	From 23 June 2020

The table below lists the Supervisory Board members who sat on the Management Board during 2021:

<b>Name</b>	<b>Term</b>
Ryszard Wawryniewicz	Until 30 December 2021

### 3. TOTAL REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD<sup>1</sup>

#### 3.1. Remuneration of the Management Board

The below table provides a clear and comprehensive presentation of all remuneration granted or paid to Management Board members for the 2020 and 2021 financial years from the Company and other entities from the Company's capital group (gross amounts in PLN).

Name of Management Board member	Year	1 Fixed Remuneration		2 Variable Remuneration		3 Total remuneration	4 Proportion of fixed and variable remuneration
		Base salary	Fringe Benefits	One - year variable <sup>2</sup>	Multi - year variable		
<b>Members as of the end of 2021</b>							
Yovav Carmi	2020	912,544	62,130	N/A	N/A	974,674 <sup>3</sup>	100%
	2021	1,507,242	66,682	913,480		2,487,404 <sup>4</sup>	63%/37%
Ariel Alejandro Ferstman	2020	411,068	31,255	N/A	N/A <sup>5</sup>	442,323 <sup>6</sup>	100%
	2021	943,929	41,863	913,480	N/A <sup>7</sup>	1,899,272 <sup>8</sup>	52%/48%
Gyula Nagy	2020	80,006	-	-	-	80,006	100%
	2021	164,426	-	45,674	-	210,100	78%/22%

<sup>1</sup> All amounts specified in this Report are gross amounts in Polish zlotys (PLN), unless otherwise stated. In case of some management board members the remuneration has been paid in Euros, however for the purpose of this Report amounts in Euro have been calculated using the average annual PLN/EUR exchange rate, i.e. for 2020: 4.4448 and for 2021: 4.5674)

<sup>2</sup> Based on the contract concluded with one of the companies from the Company's capital group, the management board members are entitled to variable performance bonus subject to the achievement of the targets specified by the Chairman of the Supervisory Board of the Company. Such bonus is awarded and payable by 31 March of the following year.

<sup>3</sup> The total remuneration includes fixed base remuneration received from other companies from the Company's capital group in the amount of PLN 894,667.

<sup>4</sup> The total remuneration includes remuneration received from other companies from the Company's capital group in the amount of 2,256,296 (i.e. fixed base salary in the amount of PLN 1,342,816 and one-year variable remuneration in the of PLN 913,480).

<sup>5</sup> Based on the contract concluded with one of the companies from the Company's capital group, such individual shall be entitled to 450,000 phantom shares that shall vest annually in three equal tranches, on the first, second and third anniversary from the effective date defined in the relevant contract (i.e. 150,000 phantom shares each year).

<sup>6</sup> The total remuneration includes fixed base remuneration received from other companies from the Company's capital group in the amount of PLN 362,318.

<sup>7</sup> Based on the contract concluded with one of the companies from the Company's capital group, such individual shall be entitled to 450,000 phantom shares that shall vest annually in three equal tranches, on the first, second and third anniversary from the effective date defined in the relevant contract (i.e. 150,000 phantom shares each year).

<sup>8</sup> The total remuneration includes remuneration received from other companies from the Company's capital group in the amount of 1,692,983 (i.e. fixed base salary in the amount of PLN 779,503 and one-year variable remuneration in the of PLN 913,480).

Name of Management Board member	Year	1 Fixed Remuneration		2 Variable Remuneration		3 Total remuneration	4 Proportion of fixed and variable remuneration
		Base salary	Fringe Benefits	One - year variable <sup>2</sup>	Multi - year variable		
<b>Members who ceased being on the Management Board in 2021/2020</b>							
Robert Snow	2020	680,709	59,259	N/A	N/A <sup>9</sup>	739,968 <sup>10</sup>	100%
	2021	1,455,955	49,336	2,256,296 <sup>11</sup>	N/A <sup>12</sup>	3,761,586 <sup>13</sup>	40%/60%
Thomas Kurzmann	2020	1,108,729	-	2,166,840	496,542	3,772,111	29%/71%
	2021	-	-	-	-	-	-
Erez Boniel	2020	1,798,607	15,658	1,450,010	143,734	3,408,009 <sup>14</sup>	53%/47%
	2021	-	-	-	-	-	-

<sup>9</sup> Based on the contract concluded with one of the companies from the Company's capital group, such individual shall be entitled to 750,000 phantom shares that shall vest annually in three equal tranches, on the first, second and third anniversary from the effective date defined in the relevant contract (i.e. 250,000 phantom shares each year).

<sup>10</sup> The total remuneration includes fixed base remuneration received from other companies from the Company's capital group in the amount of PLN 659,964.

<sup>11</sup> Includes one-off payment resulting from mutual settlement due to the early termination of the contract in the amount of PLN 1,342,816.

<sup>12</sup> Based on the contract concluded with one of the companies from the Company's capital group, such individual shall be entitled to 750,000 phantom shares that shall vest annually in three equal tranches, on the first, second and third anniversary from the effective date defined in the relevant contract (i.e. 250,000 phantom shares each year).

<sup>13</sup> The total remuneration includes remuneration received from other companies from the Company's capital group in the amount of 3,410,802 (i.e. fixed base salary in the amount of PLN 1,154,506 and one-year variable remuneration in the of PLN 2,256,296).

<sup>14</sup> The total remuneration includes remuneration received from other companies from the Company's capital group in the amount of 3,032,414 (i.e. fixed base salary in the amount of PLN 1,438,670 and one-year and multi-year variable remuneration in the of PLN 1,593,744).

### 3.2. Remuneration of the Supervisory Board

The below table provides a clear and comprehensive presentation of all remuneration granted or paid to Supervisory Board members for the 2020 and 2021 financial years from the Company (amounts in PLN)

Name of Supervisory Board member	Year	1 Fixed Remuneration		2 Total remuneration	3 Proportion of fixed and variable remuneration
		Base salary	Fees from participation in Committees		
<b>Members as of the end of 2021</b>					
János Péter Bartha	2020	50,133	6,266	56,400	100%
	2021	96,000	12,000	108,000	100%
Lóránt Dudás	2020	6,193	-	6,193	100%
	2021	96,000	-	96,000	100%
Zoltán Fekete	2020	50,133	9,400	59,533	100%
	2021	96,000	18,000	114,000	100%
Balázs Figura	2020	50,133	-	50,133	100%
	2021	96,000	-	96,000	100%
Mariusz Grendowicz	2020	96,000	24,000	120,000	100%
	2021	96,000	24,000	120,000	100%
Marcin Murawski	2020	96,000	30,000	126,000	100%
	2021	96,000	30,000	126,000	100%
Daniel Obajtek	2020	-	-	-	-
	2021	-	-	-	-
Balint Szecsenyi	2020	50,133	-	50,133	100%
	2021	96,000	-	96,000	100%

Name of Supervisory Board member	Year	1 Fixed Remuneration		2 Total remuneration	3 Proportion of fixed and variable remuneration
		Base salary	Fees from participation in Committees		
<b>Members who ceased being on the Supervisory Board in 2021/2020</b>					
Ryszard Wawryniewicz	2020	96,000	3,723	99,723	100%
	2021	96,000	-	96,000	100%
Peter Bozo	2020	44,197	-	44,197	100%
Jan Christoph Dudden	2020	-	-	-	-
Olivier Brahin	2020	-	-	-	-
Patrcik Haerle	2020	-	-	-	-
Christian Harlander	2020	-	-	-	-
Katharina Schade	2020	-	-	-	-
Alexander Hesse	2020	-	-	-	-

The Supervisory Board members are not entitled to any fringe benefits from the Company or other entities from the Company's capital group. In 2020 and 2021 the Supervisory Board members did not receive any remuneration from other entities from the Company's capital group.

#### 4. REMUNERATION IN SHARES AND/ OR OTHER FINANCIAL INSTRUMENTS

In accordance with the Remuneration Policy, the members of the Management Board may also receive Phantom Shares. The Phantom Shares vesting period lasts three years and coincides with the period of the legal relationship between the Company and a particular member of the Management Board. The Phantom Shares are not financial instruments convertible or exchangeable into shares in the Company; in particular, they are not options on such shares. The Phantom Shares are vested in three tranches, in such a way that once a year, a member of the Management Board is entitled to a particular number of Phantom Shares. The Phantom Shares grant to the entitled members of the Management Board a right to a cash settlement from the Company or other entity from the Company's capital group in an amount equal to the difference between the average closing price for the Company's shares on the WSE during the 30-day period prior to the date of delivery to the Company of the exercise notice and the settlement price ("strike price") per share (adjustable for dividend).

Name	Year	Number of Phantom Shares granted	Number of Phantom Shares vested	Amounts paid to a member of the Management Board (gross)
Yovav Carmi <sup>15</sup>	2020	250,000	<sup>16</sup>	-
	2021	250,000	295,000	-
Ariel Alejandro <sup>17</sup> Ferstman	2020	150,000	-	-
	2021	150,000	236,000	-
Gyula Nagy	2020	-	-	-
	2021	-	-	-
Robert Snow <sup>18</sup>	2020	250,000	-	-
	2021	250,000 <sup>19</sup>	250,000	-
Thomas Kurzmann	2020	500,000	500,000	496,542
	2021	-	-	-
Erez Boniel	2020	300,000	600,000	143,734
	2021	-	-	-

#### 5. USE OF THE RIGHT TO RECLAIM

No reclaim right was exercised during the financial years of 2021 and 2020. Based on the approved Remuneration Policy, awarded variable remuneration cannot be reclaimed by the Company.

<sup>15</sup> Additionally, Mr Carmi, prior to becoming a management board member, received 150,000 phantom shares.

<sup>16</sup> In accordance with the contract phantom shares will be vested on the first anniversary from the effective date defined in the relevant contract which will occur in 2021.

<sup>17</sup> Additionally, Mr Ferstman, prior to becoming a management board member, received 100,000 phantom shares.

<sup>18</sup> Additionally, Mr Snow, prior to becoming a management board member, received 100,000 phantom shares.

<sup>19</sup> Due to mutual termination of the contract the phantom shares granted to Mr Snow expired and cannot be exercised.



**6. INFORMATION ON ANY CASH OR NON-CASH BENEFITS AWARDED TO CLOSE FAMILY MEMBERS**

No cash or non-cash benefits were granted or paid to close family members of the Management Board or Supervisory Board members during the reported financial year except the health care that is provided for the Management Board members and their families (see *Fringe Benefits*).

**7. INFORMATION ON CHANGES, ON AN ANNUAL BASIS, IN REMUNERATION, COMPANY PERFORMANCE AND AVERAGE REMUNERATION OF THE COMPANY'S EMPLOYEES OTHER THAN MEMBERS OF THE MANAGEMENT BOARD AND MEMBERS OF THE SUPERVISORY BOARD**

During 2021 and 2020, there were changes to the Management Board and Supervisory Board and, therefore, there is no comparable information to present changes in the individual remuneration of the Management Board and Supervisory Board members in 2020 and 2021. Therefore, the Company provide general information in that respect summing up all the remuneration received by the Management Board and Supervisory Board in the reference years.

In accordance with Art. 90g sec. 3 of the Act, data for the preceding years was omitted.

Annual change	2020	2021	
	Amount	Amount	Percentage change %
<b>Remuneration</b>			
Management Board remuneration	9,417,091	8,358,362	-11%
Supervisory Board remuneration	612,312	852,000	39%
<b>Company Performance</b>			
Gross margin from rental activity	527,127 thousand	582,777 thousand	11%
FFO	295,055 thousand	336,488 thousand	14%
Net income	-328,741 thousand	194,644 thousand	na
<b>Average remuneration on a full-time equivalent basis of employees</b>			
Employees of the Company	PLN 18,389	PLN 16,620	-10%

## **8. COMPLIANCE WITH THE REMUNERATION POLICY, APPLICATION OF PERFORMANCE CRITERIA AND CONTRIBUTION TO THE ACHIEVEMENT OF THE COMPANY'S LONG-TERM PERFORMANCE OBJECTIVES**

### **8.1. Remuneration Policy**

#### *Remuneration of the Management Board*

In accordance with the Remuneration Policy, the remuneration of the members of the Management Board is determined by the Supervisory Board and is set at a level appropriate to the roles assigned to individual persons and related responsibilities and takes into account the performance of any additional functions, qualifications and professional experience, the current market and economic situation, as well as the Company's financial and operational situation and needs.

Members of the Management Board are entitled to the following components of remuneration: (i) fixed remuneration; (ii) variable remuneration and related payouts; (iii) Phantom Shares or other incentive programs either based on the Company's shares or the movement of prices of these shares to be established in the future by the General Shareholders' Meeting or the Supervisory Board; (iv) compensation for compliance with the non-compete clause; and (v) a severance payment related to the termination of the legal relationship with the Company.

With respect to the variable components of remuneration, as defined in the Remuneration Policy, it is designed to be motivational and to reward the members of the Management Board for fulfilling their roles, discharging their responsibilities and delivering superior results. Variable remuneration targets and the related payouts reflect a range of expected levels of performance. Members of the Management Board may be entitled to Annual Performance Bonus if they achieve the minimum level of the set targets in a given financial year. The Annual Performance Bonus should amount to a particular percentage or part of the maximum bonus amount, as specified in the contract with a particular member of the Management Board, depending on the level of achievement of the set targets. The Annual Performance Bonus awarded to members of the Management Board is determined by the Supervisory Board. The Annual Performance Bonus is paid after the approval of the annual financial statements by the supervisory board of the Company.

Moreover, the Management Board members may receive and have received in 2021 additional benefits, such as: (i) private medical care, including for family members; and (ii) the use of company cars, company telephones and other electronic devices for private purposes and the covering of their costs.

The members of the Management Board may also receive compensation for compliance with the non-compete clause following the end of an engagement; however, the Company has exercised its right to withdraw from such non-compete obligations and such compensation has not been paid to the former members of the Management Board.

During the 2021 financial year, and in line with the Company's approved Policy regarding the remuneration of the Management Board members, Management Board members received a base fixed remuneration as well as variable elements of the remuneration in accordance with the relevant contract concluded with the Company or other entity from the Company's capital group. The establishment of a link between the Management Board member's remuneration in a form of Phantom Shares and the increase in the Company's share prices aligns such members' personal interest with the interests of the shareholders. The implementation of the Company's strategy and

commitment to long-term interests should have a positive impact on the Company's share prices, which in turn should translate into higher remuneration of the Management Board members. In addition, it also increases the motivation of Management Board members and facilitates in the Company retaining them and, as such, contributes to the stability of the Company.

#### *Remuneration of the Supervisory Board*

Members of the Supervisory Board are entitled only to monthly fixed remuneration for performing their functions, and to additional monthly fixed remuneration, if performing additional functions in the Supervisory Board's committee(s). The amount of the above-mentioned remuneration is determined by the General Shareholders' Meeting. There are no performance-based variable components of remuneration or financial or non-financial benefits awarded to members of the Supervisory Board.

During 2021, there were changes in the composition of the Supervisory Board. The remuneration paid to the Supervisory Board members was granted and paid in compliance with the Remuneration Policy, as the Supervisory Board members were granted only fixed remuneration in accordance with the principles outlined in the foregoing paragraph.

#### **8.2. Application of performance criteria**

The remuneration paid to the Management Board members is in line with the objectives of the Remuneration Policy, which include achieving long-term value growth. It aims to ensure stability in the management of the Company and to pursue a policy of attracting and retaining highly qualified key executives. The remuneration paid to the managers was sufficient to attract and retain Management Board members whose dedication, qualification profile and talent are desired by the Company. The remuneration package is in line with market standards of comparable sectors and companies.

The Annual Performance Bonus paid to the Management Board is determined by the Supervisory Board based on an assessment of the performance of a particular member of the Management Board, taking into account factors such as: (i) the period of performing service on the Management Board, (ii) the quality of work and scale of contribution to the implementation of the strategy of the Company and the Group, (iii) the evaluation of actions taken in significant areas of the operations of the Company and the Group, and (iv) recognition of social interests, the Company's contribution to environmental protection, and actions taken to prevent or eliminate any negative effects of the Company's social activity.

#### **9. DEROGATIONS & DEVIATIONS FROM THE REMUNERATION POLICY**

No derogations or deviations from the Remuneration Policy were identified during the reported financial year.