

**REPORT ON THE REMUNERATION OF MEMBERS OF THE
MANAGEMENT BOARD AND SUPERVISORY BOARD OF INTER
CARS S.A. OF WARSAW**

I. INTRODUCTION

This report on the remuneration (the "**Report**") of members of the Management and Supervisory Boards of Inter Cars S.A. (the "**Company**") was prepared by the Company's Supervisory Board pursuant to Art. 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005 (consolidated text: Dz. U. of 2022, item 2554, as amended) (the "**Act**").

This Report covers the financial year 2022 and thus presents the Management Board and Supervisory Board members' remuneration, including any changes therein, in that year exclusively. In 2022, there were no changes in the composition of the Company's Management Board or Supervisory Board¹.

The Group of Inter Cars S.A. (the "**Inter Cars Group**") is the largest independent European distributor of spare parts for vehicles, operating a standardised logistics network, product management area, and controlling and business support functions spanning more than ten countries. In each country where the Group is present it has independent structures handling sales and local marketing activities. The role of the Company's headquarters in Poland, i.e. the Company, is to coordinate the activities of the Inter Cars Group subsidiaries and to conduct other operating activities. This produces numerous synergies and facilitates knowledge transfer between various entities of the Inter Cars Group.

The Inter Cars Group's robust sales performance in 2022 is a clear indication of continued, unexpectedly strong growth in the automotive aftermarket spare parts industry. In 2022, revenue exceeded PLN 15bn, up 24.9% year on year. The accelerating inflation across all geographies where the Group sells its merchandise resulted in operating expenses rising slightly faster than revenue.

Sales growth was primarily driven by continuing strong demand and increased manufacturing costs, which led to higher prices of end products, as well as successful expansion into foreign markets. Demand for spare parts was further supported by a decline

¹ On September 1st 2022, Piotr Ploszajski, having served as Meetings of the Supervisory Board for 12 years, resigned as Chairman and Member of the Audit Committee of the Supervisory Board, with effect from the date of the next Supervisory Board meeting and election of a new Chairman of the Audit Committee. On September 28th 2022, the Supervisory Board elected Radoslaw Kudła as Chairman of the Audit Committee of the Supervisory Board and determined that as of September 28th 2022, the Audit Committee would be composed of three persons.

in new passenger car sales (as measured by the number of new registrations) in Europe relative to the first six months of 2021. Reduced sales of new cars necessitated extension of the lifespans of existing vehicles, which in turn increased the demand for their repair and servicing.

At the end of March 2022, the Group recognised a PLN 75m impairment loss on destroyed property, plant and equipment and inventories which had been located at the central warehouse in Kiev, Ukraine. The warehouse was destroyed as a result of the Russian Federation's military attacks on Ukraine. Since February 24th 2022, Inter Cars Ukraine (which in 2021 accounted for close to 5% of the Group's revenue) has been trading on a much smaller scaler than before. As at December 31st 2022, 37 of its total of 38 branches continued to operate, with revenue down approximately 75% year on year.

In the reporting period, the Group remained active across all of its geographies as well as opening a new company in Norway in late 2022. As at the end of 2022, the Group's distribution network in Europe comprised 613 branches (points of sale), including 244 in Poland and 369 abroad. In 2022, the Group opened a total of 35 new branches, mainly through its foreign subsidiaries.

The amounts in the tables contained in this Report are rounded to the nearest integer.

II. TOTAL REMUNERATION, INCLUDING REMUNERATION FROM THE INTER CARS GROUP COMPANIES

The tables in points A. and B. below present the total remuneration of members of the Company's Management Board and Supervisory Board for the financial year 2022, broken down into the components referred to in Art. 90d.3.1 of the Act, i.e. taking into account fixed and variable components of remuneration, as well as bonuses and other monetary or non-monetary benefits which may be granted to members of the Management and Supervisory Boards, and the relative proportions between these components.

The tables in points A. and B. include figures for the remuneration paid in 2022 or payable (in the case of variable remuneration components) for that period. Variable remuneration for 2022 was determined based on the Inter Cars Group's estimated net profit of PLN 746m.

The Company has in place a remuneration policy for members of the Company's Management Board and Supervisory Board as adopted on June 8th 2020 by the Annual General Meeting (Resolution No. 20; the **"Remuneration Policy"**), whose objectives are to:

- (i) ensure the efficiency and transparency of remuneration;
- (ii) support the business strategy, long-term interests and stability of the Company and the Inter Cars Group, including through the introduction of a performance-based incentive scheme for the Management Board members, linked to the financial performance of the Inter Cars Group and specifying the minimum levels of the Inter Cars Group's financial performance below which the bonus is not paid;
- (iii) prevent conflicts of interest, including through the introduction of transparent and comprehensive rules for determining the components of remuneration and their amounts, and the rules for granting the annual bonus, thus ensuring internal coherence and correctness with respect to conduct and performance;

(iv) appropriately motivate and build commitment to the Company.

The remuneration system adopted in the Remuneration Policy is based on fixed and variable remuneration components linked to the performance of the Inter Cars Group as a whole and the implementation of the Inter Cars Group's strategy, which is intended to promote commitment to the Company's and the Inter Cars Group's long-term growth.

A. TOTAL REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

Remuneration of Management Board members is paid on the basis of a resolution of the Supervisory Board. In accordance with the Remuneration Policy, remuneration of Management Board members may consist of:

- (i) fixed base pay under an employment contract;
- (ii) fixed base pay for serving on the Company's Management Board;
- (iii) variable component in the form of additional cash remuneration granted under the incentive scheme as adopted pursuant to Supervisory Board Resolution No. 21/2017 of June 26th 2017 and amended pursuant to Supervisory Board Resolution No. 22/2022 of May 30th 2022 (the "**Incentive Scheme**"); the variable remuneration may not be higher than 85% of the total amount of all remuneration components received by a Management Board member in a given year);
- (iv) severance and compensation payments;
- (v) additional non-cash benefits.

Fixed base pay under an employment contract is paid to each member of the Management Board for a given month by the last business day of that month. Fixed base pay for serving on the Company's Management Board is paid to each eligible member of the Management Board for a given month by the last business day of that month.

If a member of the Management Board serves on the governing bodies of subsidiaries, their remuneration under the employment contract and for serving on the Company's Management Board is reduced accordingly.

Management Board members may participate in the Employee Capital Plan on the terms applicable to all Company employees in accordance with generally applicable laws. In 2022, none of the Management Board members participated in the Employee Capital Plan.

No additional pension plans or early retirement plans are available to the Management Board members.

The bonus system provided for in the Incentive Scheme is based on a regression model, where the bonus base is determined as a percentage of the Inter Cars Group's consolidated net profit shown in the audited financial statements of the Inter Cars Group.

The cash bonus for a given financial year is paid within 30 days of the date of approval by the Annual General Meeting of the Inter Cars Group's consolidated financial statements for that financial year. Advance payments towards bonuses may be made in accordance with the conditions specified in the Incentive Scheme.

Full name and position	Fixed remuneration (PLN '000)		Variable remuneration ² (bonus*) (PLN '000)	Remuneration from Group companies other than the Company (PLN '000)	Additional Benefits ³ (PLN '000)	Severance and compensation payments (PLN '000)	Proportion of fixed remuneration ⁴ to other remuneration components	Total (PLN '000)
	Under employment contract	For serving on the Management Board						
Maciej Krzysztof Oleksowicz President of the Management Board	120	680	3,573*	0	3	0	22%	4,376
Krzysztof Soszyński	120	680	3,541*	0	4	0	23%	4,345

² Variable remuneration due for 2021 which was paid in 2022 is not included in this Report.

³ 'Additional benefits' include use of a business car for private purposes, subsidy for a private healthcare plan, and expenses covered under a cafeteria system.

⁴ Including fixed remuneration received from Group companies other than the Company

Vice President of the Management Board								
Wojciech Tadeusz Twaróg Member of the Management Board	120	680	3,573*	0	4	0	22%	4,377
Piotr Dariusz Zamora Member of the Management Board	120	680	3,573*	0	4	0	22%	4,377

* Variable remuneration for 2022 was determined based on the Inter Cars Group's estimated net profit (PLN 746m) for the year. The Supervisory Board's resolution to pay variable remuneration has not yet been passed; however, on November 23rd 2022 the Supervisory Board resolved to pay advances of 75% of the expected amounts of the cash bonuses due to the members of the Management Board for 2022 towards those bonuses. The advances were paid in 2022.

B. TOTAL REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

Remuneration of Supervisory Board members is paid on the basis of a resolution of the Company's General Meeting. In accordance with the Remuneration Policy, remuneration of Supervisory Board members may consist of the following components:

- (i) fixed base pay for serving on the Company's Supervisory Board;
- (ii) fixed base pay for serving on the Audit Committee or another committee of the Company's Supervisory Board (where a member of the Supervisory Board has been appointed to such committee);
- (iii) fixed base pay under the employment contract, if the Supervisory Board member has such employment contract with the Company.

Supervisory Board members may participate in the Employee Capital Plan on the terms applicable to all Company employees in accordance with generally applicable laws. In 2022, the following Supervisory Board members participated in the Employee Capital Plan: Radosław Jan Kudła (for whom the Company in 2022 contributed a total of PLN 2,281.00), Jacek Marek Klimczak (for whom the Company in 2022 contributed a total of PLN 1,140.00), and Tomasz Rusak (for whom the Company in 2022 contributed a total of PLN 1,140.00). The other members of the Supervisory Board did not participate in the Employee Capital Plan.

No additional pension plans or early retirement plans are available to the Supervisory Board members.

Full name and position	Fixed remuneration (PLN '000)			Remuneration from Group companies other than the Company (PLN '000)	Total (PLN '000)
	Under employment contract	For serving on the Supervisory Board	For serving on the Audit Committee		
Andrzej Aleksander Oliszewski Chairman of the Supervisory Board	36	95	76	0	207
Jacek Marek Klimczak Member of the Supervisory Board	0	76	0	0	76
Piotr Zbigniew Płoszajski Member of the Supervisory Board	0	76	95	0	171
Tomasz Rusak Member of the Supervisory Board	0	76	0	0	76
Radosław Jan Kudła Member of the Supervisory Board	0	76	76	0	152
Jacek Tomasz Podgórski Member of the Supervisory Board	0	76	76	0	152

III. CONSISTENCY OF THE TOTAL REMUNERATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS, RESPECTIVELY, WITH THE REMUNERATION POLICY

Remuneration of members of the Management and Supervisory Boards is in line with the Remuneration Policy, which, as indicated in Section II of this Report, supports implementation of the business strategy, long-term interests and stability of the Company and the Inter Cars Group.

In particular, the introduction of a performance-based incentive scheme for the Management Board members, providing for the minimum levels of the Inter Cars Group's financial performance below which the bonus is not paid:

- (i) promote reasonable business decisions that take into account market environment and socio-economic conditions;
- (ii) tie the interests of Management Board members to those of the shareholders and, consequently, contribute to stability and good condition of the Inter Cars Group. On the other hand, the fact that the remuneration of Supervisory Board members is based on fixed components contributes to ensuring their independence, which has a positive effect on the quality of their supervision.

IV. APPLICATION OF THE PERFORMANCE-BASED CRITERIA

In the case of members of the Management Board, the variable remuneration component in the form of additional cash remuneration granted under the Incentive Scheme was determined based on the Inter Cars Group's performance (as a percentage of the Inter Cars Group's consolidated net profit shown in the audited financial statements of the Inter Cars Group). The fixed remuneration is paid irrespective of the Company's performance.

Remuneration of Supervisory Board members is not dependent on the Company's performance.

V. CHANGES IN REMUNERATION (ON AN ANNUAL BASIS), THE COMPANY'S PERFORMANCE AND AVERAGE REMUNERATION OF THE COMPANY'S EMPLOYEES WHO ARE NOT MEMBERS OF THE MANAGEMENT BOARD OR SUPERVISORY BOARD

The tables below present, on a comparative basis, year-on-year changes in the remuneration, the Company's performance and average remuneration of the Company's employees who are not members of the Management Board or Supervisory Board.

The comparison covers the years 2019–2022. Pursuant to Art. 90g.3 of the Act, information for the years in respect of which the reporting requirement did not apply has been omitted.

	2019	2020	2021	2022	% change 2019/2020	% change 2020/2021	% change 2021/2022	
	MEMBERS OF THE MANAGEMENT BOARD							
	(total remuneration in PLN '000)							
Maciej Krzysztof Oleksowicz President of the Management Board	1,754	2,279	3,703	4,376	+30%	+62%	+18%	
Krzysztof Soszyński Vice President of the Management Board	1,757	2,281	3,705	4,345	+30%	+62%	+17%	
Wojciech Tadeusz Twaróg Member of the Management Board	1,729	2,252	3,678	4,377	+30%	+63%	+19%	
Piotr Dariusz Zamora Member of the Management Board	1,734	2,258	3,683	4,377	+30%	+63%	+18%	
	MEMBERS OF THE SUPERVISORY BOARD							
	(total remuneration in PLN '000)							
Andrzej Aleksander Oliszewski Chairman of the Supervisory Board	135	139	142	207	+3%	+2%	+45%	
Jacek Marek Klimczak Member of the Supervisory Board	96	81	48	76	-15%	-41%	+58%	

Piotr Zbigniew Płoszajski Member of the Supervisory Board	108	108	108	171	0%	0%	+58%
Tomasz Rusak Member of the Supervisory Board	48	48	48	76	0%	0%	+58%
Radosław Jan Kudła Member of the Supervisory Board	26	63	96	152	+143%	+52%	+58%
Jacek Tomasz Podgórski Member of the Supervisory Board	50	96	96	152	+90%	0%	+58%
	COMPANY EMPLOYEES						
Average annual remuneration per full-time equivalent for employees who are not members of the Management Board or Supervisory Board (PLN '000)	92	98	116	122	+6%	+18%	+5%
	THE COMPANY'S PERFORMANCE (PLN million)						

Company's gross profit	180	325	591	654	+81%	+82%	+11%
Company's net profit	155	223	482	543	+44%	+117%	+13%
Company's SG&A /revenue	12.6%	11.6%	10.6%	11.7%	-1.0pp ⁵	-1.0pp ⁶	+1.1pp
Group's gross profit	279	444	877	926	+59%	+97%	+6%
Group's net profit	227	334	700	746	+47%	+110%	+7%
Group's SG&A /revenue	14.9%	13.5%	12.8%	13.0%	-1.4pp ⁷	-0.7pp ⁸	+0.2pp

VI. INFORMATION ON FINANCIAL INSTRUMENTS GRANTED OR OFFERED

In 2022, no financial instruments were granted or offered to members of the Management or Supervisory Boards.

In accordance with the Remuneration Policy, the Company does not grant remuneration to members of the Management or Supervisory Board in the form of financial instruments (Section 3.6 and Section 5.7 of the Remuneration Policy).

⁵ percentage points

⁶ percentage points

⁷ percentage points

⁸ percentage points

VII. INFORMATION ON THE EXERCISE OF THE RIGHT TO DEMAND THE RETURN OF VARIABLE REMUNERATION

The Company does not have the right to demand the return of variable remuneration from members of the Management Board (Section 4.7 of the Remuneration Policy). Members of the Supervisory Board are not entitled to variable remuneration (Sections 5.1 to 5.5 of the Remuneration Policy).

VIII. DEROGATIONS FROM THE PROCEDURE FOR IMPLEMENTING THE REMUNERATION POLICY AND DEROGATIONS FROM ART. 90F OF THE ACT

No derogations from the procedure for implementing the Remuneration Policy or from Art. 90f of the Act have been applied.

IX. IMPLEMENTATION OF THE GENERAL MEETING'S RESOLUTION CONTAINING AN OPINION ON THE REMUNERATION REPORT

Acting pursuant to Art. 90g.6 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005, on May 31st 2022 the Annual General Meeting of the Company gave a positive opinion on the Report on the Remuneration of Members of the Management Board and Supervisory Board of the Company for the financial years 2021.