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

I. INTRODUCTION

This report, hereinafter referred to as "**the Report**," on the remuneration of the members of the Management Board and the Supervisory Board of Inter Cars S.A., hereinafter referred to as "**the Company**," was prepared by the Company's Supervisory Board in accordance to Art. 90g of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies of 29 July 2005 (consolidated text, Journal of laws of 2020. item 2080, as amended), hereinafter referred to as "**the Act**."

The report covers the financial years of 2019 and 2020. The information pertaining to the previous financial years (not subject to the reporting obligation) was omitted in conformity with Art. 90g.3 of the Act.

The Inter Cars S.A. Capital Group, hereinafter referred to as "**the Inter Cars CG**," is the biggest independent vehicle spare parts distributor in Europe with a uniform logistics chain, product management, controlling and business support departments across several countries. It has independent structures handling sales and local marketing activities in every country in which it operates. The Company's head office in Poland is responsible for coordinating the activities of subsidiaries from the Inter Cars CG and managing other operations. This way, it is able to take advantage of numerous synergy effects and secure the flow of knowledge between different entities comprising the Inter Cars CG.

The underlying factor affecting the revenues and the financial result of the Inter Cars CG during the 12 months of 2020 was the struggle to remedy the effects of the SARS-CoV-2 virus pandemic, including primarily a fall in sales resulting from a decrease in the market demand in Poland. Despite a sudden drop in sales at the end of the first quarter, the Inter Cars CG closed the year with a 47% increase compared with 2019. The only market where the Company recorded a negative growth yty at the end of the reporting period was Italy. In other countries the Company recorded a positive growth compared to the 12 months of 2019, which proves that the downward trend in turnover was eventually reversed. In 2020, the Company's sales increased by 4.5% and amounted to PLN 9.2 b.

Following an analysis of the threats resulting from the turnover decrease related to the SARS-CoV-2 virus pandemic, the Company's Management Board immediately decided to decrease its operating expenses by, among other things, putting all projects on hold, reducing marketing activities, employment and working time. The profitability of the Inter Cars CG remained on a good level of 3.6% (compared with 2.6% in the same period of 2019). At the end of 2020, the Company's distribution network in Europe was comprised of 561 branches (distribution points): of which 240 in Poland and 321 abroad.

In 2019, the Inter Cars CG 10,3% recorded an 8.7% sales revenue growth, compared with the same period of 2018, which resulted from an increase in the scale of the operating activities and the geographical development of the sales chain.

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In 2019, the Inter Cars CG opened 14 new branches (distribution points) (one was closed), which means that as at 31 December 2019, the total number of branches (distribution points) was 561 (compared with 548 in 2018), of which 248 branches (distribution points) in Poland and 313 abroad.

The gross sales profit increased by 11,8% in 2019 compared with the same period of the previous year. The net profit for 2019 was PLN 227 3.1 m, that is, 1.8 per cent higher than in 2017.

The values shown in the tables included in this Report are rounded up to the nearest integer.

II. TOTAL REMUNERATION, INCLUDING REMUNERATION FROM ENTITIES BELONGING TO THE INTER CARS CG

The tables in points A and B below show the total remuneration of the members of the Management Board and the Supervisory Board of the Company in the financial years 2019 and 2020, respectively, by the components specified in Art. 90d.3.1 of the Act, i.e., including fixed and variable components, as well as bonuses and other cash and non-cash benefits, to which the members of the Management Board and the Supervisory Board are entitled, as well as the mutual proportions between these components.

The tables in points A and B include the remuneration paid in 2019 and 2020 or due for this period (in the case of variable remuneration). The variable remuneration for 2020 was determined based on the estimated net profit of the Inter Cars CG of PLN 333 m.

On 8 June 2020, the Ordinary Shareholders Meeting of the Company adopted a Members of the Management Board and the Supervisory Board Remuneration Policy, hereinafter referred to as "**the Remuneration Policy**," resolution no. 20), the primary purpose of which is to:

- (i) ensure effective and transparent remunerations;
- (ii) support the business strategy, long-term interest and stability of the Company and the Inter Cars CG, also by implementing an incentive system for the members of the Management Board based on the financial results of the Inter Cars CG and providing for minimum levels of financial results of the Inter Cars CG below which no bonuses shall be paid;
- (iii) counteracting conflicts of interest, also by implementing transparent and comprehensive rules of determining the remuneration components and their amount, the rules of granting annual bonuses, which shall ensure internal cohesion and standards with respect to conduct and results;
- (iv) proper motivation and encouraging commitment in the Company's affairs.

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The remuneration system resulting from the adopted Remuneration Policy is based on fixed and variable components depending on the results of the entire Inter Cars CG and implementation of the group's strategy, which is intended to be conducive to the long-term development of the Company and the Inter Cars CG.

A. TOTAL REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

The remuneration of the members of the Management Boards is paid in conformity with a resolution of the Supervisory Board.

A.1 prior to the adoption of the Remuneration Policy

Prior to the adoption of the Remuneration Policy the monthly remuneration of each member of the Management Board was comprised of:

- (i) a monthly remuneration for holding a post in the Management Board of the Company;
- (ii) a monthly remuneration resulting from a contract of employment;
- (iii) severance fees and compensation.

Additionally, if a given member of the Management Board held posts in the bodies of subsidiary companies, their remuneration resulting from a contract of employment or from holding a post in the Management Board of the Company was reduced accordingly.

Irrespective of the above, the members of the Management Board were entitled to bonuses resulting from the incentive scheme adopted in conformity with the Supervisory Board resolution no. 21/2017 of 26 June 2017, hereinafter referred to as "**the Incentive Scheme**." Bonuses were paid based on a resolution of the Supervisory Board.

According to the Incentive Scheme, the bonus system provided thereby is based on the degressive model, where the bonus base is determined as a percentage of the consolidated net profit of the Inter Cars CG resulting from audited financial statements of the Inter Cars CG.

The cash bonus for a given financial year is paid within 30 days of approval by the Ordinary General Shareholders Meeting of the Company of the consolidated financial statements of the Inter Cars CG for that financial year. The Incentive Scheme provides for the possibility of making prepayments towards bonuses.

A.2 following adoption of the Remuneration Policy

In accordance to the Remuneration Policy, the remuneration of each member of the Management Board is composed of:

- (i) a fixed monthly remuneration resulting from a contract of employment;

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- (ii) a fixed basic remuneration for holding a post in the Management Board of the Company;
- (iii) a variable remuneration in the form of an additional cash remuneration granted in conformity with the Incentive scheme (adopted pursuant to the resolution of the Supervisory Board no. 21/2017 of 26 June 2017, where the amount of the variable remuneration may not exceed 85% of the total amount of all remuneration components received by a member of the Management Board in a given year);
- (iv) severance fees and compensation;
- (v) non-cash additional benefits.

If a member of the Management Board holds a post in the bodies of the subsidiary companies, the remuneration resulting from a contract of employment or from holding a position in the Company's Management Board is reduced accordingly.

The members of the Management Board are entitled to join the Employee Capital Plan in conformity with the rules the Company applies to all employees pursuant to the applicable regulations. None of the members of the Management Board participated in the Employee Capital Plan in 2019 or 2020.

The members of the Management Board are not subject to any additional pension, disability pension or early retirement schemes.

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Name and function	Reporting period	Fixed remuneration (in PLN thousand)		Variable remuneration (bonus) (in PLN thousand) ¹	Remuneration from the Inter Cars CG companies other than the Company (in PLN thousand)	Additional Benefits* (in PLN thousand)	Severance fees and compensation (in PLN thousand)	The ratio of the fixed remuneration ² to the other remuneration components	Total (in PLN thousand)
		due under a contract of employment	due for holding a post in the Management Board						
Maciej Krzysztof Oleksowicz President of the Management Board, CEO	2019	120	360	1,272	-	3	-	38%	1,754
	2020	113	361	1,802	-	3	-	26%	2,279
Krzysztof Soszyński Vice-President of the Management Board	2019	120	360	1,272	-	5	-	38%	1,757
	2020	113	361	1,802	-	5	-	26%	2,281
Robert Kierzek ³ Member of the Management Board	2019	-	-	-	-	-	212	0%	212
	2020	-	-	-	-	-	-	-	-
	2019	120	672	-	-	5	-	100%	797
	2020	-	-	-	-	-	-	-	-

¹ The variable remuneration for 2020 was determined based on the estimated result of the Inter Cars CG of PLN 333 m; however, the Company's Supervisory Board has not yet adopted a resolution on the payment of the variable remuneration.

² Including the fixed remuneration received from the Inter Cars CG companies other than the Company

³ Vice-President of the Management Board until 21 June 2018

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Krzysztof Oleksowicz⁴ Member of the Management Board									
Tomáš Kaštil⁵ Member of the Management Board	2019	-	120	382	1250 ⁶	-	-	38%	1,752
	2020	-	77	1,201	219 ⁷	-	458	18%	1,956
Wojciech Tadeusz Twaróg Member of the Management Board	2019	120	-	373	1231 ⁸	5	-	38%	1,729
	2020	113	-	53 2	1602 ⁹	5	-	27%	2,252
Piotr Dariusz Zamora Member of the Management Board	2019	120	-	375	1235 ¹⁰	5	-	38%	1,734
	2020	113	-	534	1607 ¹¹	5	-	27%	2,258

*"Additional benefits" include: a company car used for private purposes.

⁴ member of the Management Board until 31 December 2019

⁵ member of the Management Board until 31 August 2020

⁶ Total remuneration due for being a member of the Management Board of Inter Cars Česká republika s.r.o. (fixed remuneration: 30) and of Inter Cars Bulgaria Ltd. (fixed remuneration: 330+ bonus of 890.2)

⁷ Total remuneration due for being a member of the Management Board of Inter Cars Česká republika s.r.o. (fixed remuneration: 20) and of Inter Cars Bulgaria Ltd. (fixed remuneration: 199)

⁸ Total remuneration due for being a member of the Management Board of Inter Cars Malta Limited (fixed remuneration: 360+ bonus of 871)

⁹ Total remuneration due for being a member of the Management Board of Inter Cars Malta Limited (fixed remuneration: 359+ bonus of 1,242)

¹⁰ Total remuneration due for being a member of the Management Board of Inter Cars Malta Limited (fixed remuneration: 360+ bonus of 875)

¹¹ Total remuneration due for being a member of the Management Board of Inter Cars Malta Limited (fixed remuneration: 361+ bonus of 1,246)

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B. TOTAL REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

The remuneration of the members of the Supervisory Board is paid in conformity with a resolution of the General Shareholders Meeting of the Company.

B.1 prior to the adoption of the Remuneration Policy

Prior to the adoption of the Remuneration Policy the monthly remuneration of each member of the Supervisory Board was comprised of:

- (i) a monthly remuneration for holding a post in the Supervisory Board of the Company;
- and
- (ii) additionally - in the case Supervisory Board members holding a position in the Supervisory Board Audit Committee - a monthly remuneration due for holding the position.

B.2 following adoption of the Remuneration Policy

In conformity with the Remuneration Policy, the remuneration of the members of the Supervisory Board of the Company may be comprised of:

- (i) a fixed basic remuneration for holding a position in the Supervisory Board of the Company;
- (ii) a fixed basic remuneration for holding a position on the Supervisory Board Audit Committee or any other Supervisory Board Committee (provided that a member of the Supervisory Board has been appointed to such committee);
- (iii) a fixed basic remuneration resulting from a contract of employment if a member of the Supervisory Board is employed by the Company.

The members of the Supervisory Board are entitled to join the Employee Capital Plan in conformity with the rules the Company applies to all employees pursuant to the applicable regulations. The following the members of the Supervisory Board joined the Employee Capital Plan in 2019 or 2020: Radosław Jan Kudła, Jacek Marek Klimczak, Tomasz Rusak. The remaining members of the Supervisory Board did not participate in the ECP.

The members of the Supervisory Board are not subject to any additional pension, disability pension or early retirement schemes.

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Name and function	Reporting period	Fixed remuneration (in PLN thousand)			Remuneration from the Inter Cars CG companies other than the Company (in PLN thousand)	Total (in PLN thousand)
		under a contract of employment	due for holding a post on the Supervisory Board	due for holding a post on the Audit Committee		
Andrzej Aleksander Oliszewski Chairman of the Supervisory Board	2019	27	60	48	-	135
	2020	31	60	48	-	139
Michał Marczak¹² Member of the Supervisory Board	2019	-	22	-	-	22
	2020	-	-	-	-	-
Jacek Marek Klimczak Member of the Supervisory Board	2019	-	48	48	-	96
	2020	-	48	33	-	81
Piotr Zbigniew Płoszajski Member of the Supervisory Board	2019	-	48	60	-	108
	2020	-	48	60	-	108
Tomasz Rusak	2019	-	48	-	-	48

¹² member of the Supervisory Board until 17 June 2019

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Member of the Supervisory Board	2020	-	48	-	-	48
Radosław Jan Kudła ¹³ Member of the Supervisory Board	2019	-	26	-	-	26
	2020	-	48	15	-	63
Jacek Tomasz Podgórski ¹⁴ Member of the Supervisory Board	2019	-	26	25	-	50
	2020	-	48	48	-	96

III. RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND THE TOTAL REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD, RESPECTIVELY

The remuneration of the members of the Management Board and the Supervisory Board is consistent with the Remuneration Policy, which, as is pointed out in item II of the Report, supports the business strategy, the long-term interest and stability of the Company and the Inter Cars CG.

In particular, implementation of an incentive scheme for the members of the Management Board based on the financial results of the Inter Cars CG below which a bonus is not be paid:

- (i) is conducive to making rational business decisions, taking into account the market situation and the social and economic considerations;
- (ii) aligns the interest of the members of the Management Board with that of the shareholders and, consequently, positively impacts the stability and the condition of the Inter Cars CG.

In turn, basing the remunerations of the members of the Supervisory Board on fixed remuneration components is conducive to ensuring their independence and, consequently, has a positive effect of the quality of their supervisory activities.

¹³ member of the Supervisory Board until 17 June 2019

¹⁴ member of the Supervisory Board until 17 June 2019

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IV. APPLICATION OF CRITERIA RELATED TO THE COMPANY'S RESULTS

In the case of the members of the Management Board, the variable remuneration in the form of an additional cash remuneration granted in conformity with the Incentive Scheme is based on the results of the Inter Cars CG (as a percentage of the consolidated net profit of the Inter Cars CG resulting from audited financial statements of the Inter Cars CG). Whereas the fixed remuneration is paid irrespective of the Company's results.

The remuneration of the members of the Supervisory Board is not based on the Company's results.

V. INFORMATION ABOUT A CHANGE (ANNUAL) TO THE REMUNERATION, THE COMPANY'S RESULTS AND THE AVERAGE REMUNERATION OF THE COMPANY'S EMPLOYEES OTHER THAN THE MEMBERS OF THE MANAGEMENT BOARD OR THE SUPERVISORY BOARD

The following tables present, in comparative terms, information about a change (annual) to the remuneration, the company's results and the average remuneration of the company's employees other than the members of the Management Board or the Supervisory Board.

The comparison covers the years 2019 and 2020. Pursuant to Art. 90.3 of the Act, information regarding the years during which the reporting obligation did not apply has been omitted.

	2019	2020	Change (%)
MEMBERS OF THE MANAGEMENT BOARD (total remuneration in PLN thousand)			
Maciej Krzysztof Oleksowicz President of the Management Board, CEO	1,754	2,279	30%
Krzysztof Soszyński Vice-President of the Management Board	1,757	2,281	30%

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Robert Kierzek¹⁵ Member of the Management Board	212	-	Not applicable
Krzysztof Oleksowicz¹⁶ Member of the Management Board	797	-	Not applicable
Tomáš Kaštil¹⁷ Member of the Management Board	1,752	1,956	12%
Wojciech Tadeusz Twaróg Member of the Management Board	1,729	2,252	30%
Piotr Dariusz Zamora Member of the Management Board	1,734	2,258	30%
MEMBERS OF THE SUPERVISORY BOARD (total remuneration in PLN thousand)			
Andrzej Aleksander Oliszewski Chairman of the Supervisory Board	135	139	3%
Michał Marczak¹⁸ Member of the Supervisory Board	22	-	Not applicable
Jacek Marek Klimczak Member of the Supervisory Board	96	81	-15%

¹⁵ member of the Management Board until 21 June 2018

¹⁶ member of the Management Board until 31 December 2019

¹⁷ member of the Management Board until 31 August 2020

¹⁸ member of the Supervisory Board until 17 June 2019

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Piotr Zbigniew Płoszajski Member of the Supervisory Board	108	108	0%
Tomasz Rusak Member of the Supervisory Board	48	48	0%
Radosław Jan Kudła ¹⁹ Member of the Supervisory Board	26	63	143%
Jacek Tomasz Podgórski ²⁰ Member of the Supervisory Board	50	96	90%
COMPANY EMPLOYEES			
Average remuneration per a full-time employee other than a member of the Management Board or the Supervisory Board (in PLN thousand)	92	98	6%
COMPANY'S RESULTS (in PLN m)			
Company's gross profit	180	328	+82%
Company's net profit	155	228	+47%
Sales and general administration costs / revenues ratio of the Company	14.2%	11.5%	

¹⁹ member of the Supervisory Board until 17 June 2019

²⁰ member of the Supervisory Board until 17 June 2019

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			2.7 % ²¹
Inter Cars CG's gross profit	279	444	+59%
Inter Cars CG's net profit	227+	334	+47%
Sales and general administration costs / revenues ratio of the Inter Cars CG	14.9%	13.6%	1.3 pp ²²

VI. INFORMATION ON FINANCIAL INSTRUMENTS, GRANTED OR OFFERED

In 2019 and 2020, no financial instruments were granted or offered to the members of the Management Board or the Supervisory Board.

Pursuant to the Remuneration Policy, the Company does not grant the members of the Management Board or the Supervisory Board a remuneration in the form of financial instruments (clause 3.6 and clause 5.7 of the Remuneration Policy).

VII. INFORMATION ON THE POSSIBILITY TO DEMAND A REPAYMENT OF THE VARIABLE REMUNERATION COMPONENTS

The Company is not entitled to demand from the members of the Management Board a repayment of the variable remuneration components (clause 4.7 of the Remuneration Policy). The members of the Supervisory Board are not entitled to receive variable remuneration component (clause 5.1-5 of the Remuneration Policy).

²¹ Percentage points

²² Percentage points

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VIII. INFORMATION ON EXCEPTIONS TO THE PROCEDURE OF IMPLEMENTATION OF THE REMUNERATION POLICY AND EXCEPTION TO ART. 90F OF THE ACT

The Company has not applied any exceptions to the procedure of implementation of the Remuneration Policy or exceptions to Art 90f of the Act.

IX. INFORMATION ON IMPLEMENTATION OF THE RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING EXPRESSING AN OPINION ON THE REPORT

The Report was prepared for the first time, hence Art. 90g.8 of the Act imposing the obligation to explain how the resolution of the General Shareholders Meeting expressing an opinion on the previous Report has been included in the present one does not apply.