

FIRMA OPONIARSKA DĘBICA S.A.

Supervisory Board's report on compensations of Members of the Management Board and Supervisory Board for 2022



Prepared on the basis of Article 90g of the Act of 29th July 2005 on Public Offering and the Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies (Journal of Laws of 2022, item 2554).

Contents

I. Key rules regarding compensations of the Management Board and Supervisory Board Members	3
II. Composition of the Management Board and Supervisory Board	4
III. Compensation of individual Members of the Management Board and Supervisory Board	6
IV. Number of financial instruments granted or offered by the Company and the main conditions for the exercise of rights from these instruments	8
V. Compensation from entities belonging to the Company's capital group	9
VI. Compliance with the adopted compensation policy; contributing to the long-term results of the Company	10
VII. Information on how the performance criteria have been applied	10
VIII. Information on the remuneration and results of the Company	11

This report has been prepared on the basis of Article 90g of the Act of 29th July 2005 on Public Offering and the Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies (Journal of Laws of 2022, item 2554) (“Act”)

On June, 30, 2022 r. the Ordinary General Meeting of Firma Oponiarska Dębica S.A., acting pursuant to Article 90g, section 6 of the Act issued a positive opinion on the Report on Compensations of the Members of the Management Board and the Supervisory Board of the Company for the year 2021.

I. Key rules regarding compensations of the Management Board and Supervisory Board Members

The level of compensation of the Management Board reflects the professional experience and the scope of organizational responsibility related to the position. Remuneration includes the base salary, the variable part and the long-term part of the remuneration, which may be subject to performance conditions. It may also include other fixed compensation-like benefits under the Labor Code.

The Compensation Policy for the Management Board and Supervisory Board Members (“Policy”) contributes to the Company’s performance by offering the possibility to take into account the Company and/or the Goodyear group’s performance when calculating the variable and long-term components of its management remuneration. In particular, in the decision-making process for setting and reviewing this Policy, it has been decided to allow the possibility to apply the variable compensation and long-term compensation programs for executives of the Goodyear group of companies.

The Supervisory Board Members are entitled to a monthly basic salary for the function performed except for the situations when a Supervisory Board Member:

- waives expressly his or her rights to remuneration due to his or her appointment to the Supervisory Board of the Company or
- is employed by the companies from the Goodyear group, with exception of the Company.

A Supervisory Board Member’s compensation is calculated based on the average monthly salary in the Company for the previous calendar quarter.

The Policy was adopted on August 25, 2020 and has entered into force on the same day.

All the rules described in the Policy were applied to the compensations of the Management Board and Supervisory Board Members in the year 2022.

Members of the Management Board are entitled to a monthly basic salary under the employment contract. The remuneration is paid on the last working day of the month for which it is due in accordance with the Work Regulations of the Dębica Tire Company in force since August 2017. The remuneration is paid with the consent of the Employee, expressed in writing, in the form of a transfer to the bank account indicated by the Employee.

The Policy allowed the members of the Supervisory Board to apply the variable compensation programs for the executives of the Goodyear group of companies to the Members of the Company’s Management Board, namely:

- Executive Annual Incentive Plan (“EAIP”), and
- Long-Term Incentive Plan (“LTIP”).

EAIP and LTIP plan designs, performance metrics and payout potential may be changed or amended from time to time in accordance with decisions made within the Goodyear group.

The components and form of the LTIP reward may change and may consist of other types of rewards in the future.

All components of remuneration presented in this report are stated in gross amounts.

II. Composition of the Management Board and Supervisory Board

Composition of the Management Board and Supervisory Board as of 01.01.2022:

Management Board

1. Leszek Szafran - President of the Management Board
2. Ireneusz Maksymiuk - Management Board Member
3. Michał Mędrak - Management Board Member
4. Mirosław Maziarka - Management Board Member

Supervisory Board

1. Jacek Pryczek - Chairman of the Supervisory Board
2. François Colin de Verdière - Deputy Chairman of the Supervisory Board
3. Andrzej Kowal - Independent Member of the Supervisory Board, Secretary of the Supervisory Board
4. Vincent Ganier - Supervisory Board Member
5. Agnieszka Modras - Independent Supervisory Board Member
6. Lourens Roets - Supervisory Board Member
7. Michaël De Schrijver - Supervisory Board Member
8. Marek Piękoś - Supervisory Board Member

Changes in the composition of the Management and Supervisory Boards in the financial year:

- February 21, 2022: The Company received information about the resignation of Mr. Michał Mędrak from the position of a member of the Company's Management Board as of February 24, 2022.
- March 3, 2022: The Supervisory Board of the Company adopted a resolution on appointing Ms. Anna Winiarska-Miśkowiec to the Management Board, pursuant to art. 368 § 4 of the Commercial Companies Code in conjunction with § 10 section 4 of the Company's Articles of Association. The resolution entered into force on the day of its adoption.
- April 29, 2022: The Company received information about the resignation of Mr. Mirosław Maziarka from the position of a member of the Company's Management Board as of April 29, 2022.
- April 29, 2022: The Supervisory Board of the Company adopted a resolution to appoint Mr. Marko Nahtigal to the Management Board, pursuant to art. 368 § 4 of the Commercial Companies Code in conjunction with § 10 section 4 of the Company's Articles of Association. The resolution entered into force on the day of its adoption.
- June 30, 2022: The Annual General Meeting of the Company appointed members of the Company's Supervisory Board for a new term of office, which began on June 30, 2022.

- September 8, 2022: At its first meeting, the Supervisory Board of the Company was established with the following composition:
 1. Jacek Pryczek - Chairman of the Supervisory Board
 2. François Colin de Verdière - Deputy Chairman of the Supervisory Board
 3. Andrzej Kowal - Independent member of the Supervisory Board, Secretary of the Supervisory Board
 4. Vincent Ganier - Supervisory Board Member
 5. Agnieszka Modras - Independent Member of the Supervisory Board
 6. Lourens Roets - Supervisory Board Member
 7. Michaël De Schrijver - Supervisory Board Member
 8. Janusz Raś - Supervisory Board Member

Pursuant to §14 of the Company's Articles of Associations, the Company's employees elected Mr. Janusz Raś during the elections of the Supervisory Board Member of the Company for the term of office starting from 30 June 2022.

Composition of the Management Board and Supervisory Board as of 31.12.2022:

Management Board

1. Leszek Szafran - President of the Management Board
2. Ireneusz Maksymiuk - Management Board Member
3. Anna Winiarska-Miśkowiec - Management Board Member
4. Marko Nahtigal - Management Board Member

Supervisory Board

1. Jacek Pryczek - Chairman of the Supervisory Board
2. François Colin de Verdière - Deputy Chairman of the Supervisory Board
3. Andrzej Kowal - Independent member of the Supervisory Board, Secretary of the Supervisory Board
4. Vincent Ganier - Supervisory Board Member
5. Agnieszka Modras - Independent Member of the Supervisory Board
6. Lourens Roets - Supervisory Board Member
7. Michaël De Schrijver - Supervisory Board Member
8. Janusz Raś - Supervisory Board Member

III. Compensation of individual Members of the Management Board and Supervisory Board.

In year 2022 the following Management Board Members of the Company had employment contracts with the Company: Leszek Szafran, Ireneusz Maksymiuk and Michał Mędrak. The remuneration of the above-mentioned members of the Management Board is paid by the Company.

The remaining members of the Management Board did not have an agreement with the Company and remain in an employment relationship with the following Companies (which are not subsidiaries of the Company):

Mirosław Maziarka – Goodyear S.A.,
 Marko Nahtigal – Goodyear Slovenija d.o.o.
 Anna Winiarska-Miśkowiec - Goodyear Polska Sp. z o.o.

The remuneration of the above-mentioned members of the Management Board is not paid by the Company, and their labor costs are re-invoiced to TC Dębica S.A.

Table 1 and Table 2 contain the remuneration paid in the year 2022, including the cash variable part of the remuneration for the year 2021, but excludes the remuneration due for the year 2022 for the part of the variables that have been shown in Tables No 3 and 4.

Table 1 Management Board					
Name and surname	Term of office	Total annual compensation PLN	Fixed compensation/ % of total compensation PLN	Variable compensation / % of total compensation PLN (includes only cash payment concerning EAIP and LTIP)	Other component of compensation PLN (Benefits such as: Insurance, company car used for private purposes, PPE, medical care, tire program*)
Leszek Szafran	01.01.2022-31.12.2022	1 434 088,26	829 332,00 57,83%	485 425,67 33,85%	119 330,59 8,32%
Ireneusz Maksymiuk	01.01.2022-31.12.2022	1 054 299,94	655 200,00 62,15%	304 496,60 28,88%	94 603,34 8,97%
Michał Mędrak	01.01.2022-28.02.2022	183 974,26	76 216,00 41,43%	75 454,00 41,01%	32 304,26 17,56%
Mirosław Maziarka**	01.01.2022-29.04.2022	0	0	0	0
Anna Winiarska-Miśkowiec**	03.03.2022-31.12.2022	0	0	0	0
Marko Nahtigal**	29.04.2022-31.12.2022	0	0	0	0

* Tyre programme - employees can purchase tyres at a discount

** Remuneration of Mirosław Maziarka, Marko Nahtigal and Anna Winiarska-Miśkowiec - is described in Chapter V.

Benefits granted to relatives:

- Leszek Szafran - medical care as part of the employee package – PLN 9 132,00,
- Ireneusz Maksymiuk - medical care as part of the employee package – PLN 17 688,00.

Table 2						
Supervisory Board						
Name and surname	Total annual compensation in PLN	Remuneration for the function in the Supervisory Board PLN	Fixed compensation / % of total compensation on PLN	Bonus based on the Company collective agreement / % of total compensation PLN	Variable compensation based on the Company collective agreement PLN / % of total compensation	Other component of compensation PLN (Benefits such as: Insurance, company car used for private purposes, PPE, medical care, tire program*)
Agnieszka Modras	155 330,24	155 330,24 (100%)	0	0	0	0
Vincent Ganier	0	0	0	0	0	0
Jacek Pryczek	0	0	0	0	0	0
Andrzej Kowal	194 162,74	194 162,74 (100%)	0	0	0	0
Marek Piękoś	141 714,78	90 959,03 (64,18%)	33 463,52 (23,61%)	7 395,36 (5,22%)	6 513,44 (4,59%)	3 383,43 (2,39%)
Lourens Roets	0	0	0	0	0	0
Michael De Schrijver	0	0	0	0	0	0
François Colin de Verdière	0	0	0	0	0	0
Janusz Raś	109 363,41	64 371,20 (58,86%)	33 529,68 (30,66%)	1 258,97 (1,15%)	5 450,80 (4,98%)	4 752,76 (4,34%)

Table 3 and Table 4 contain variable remuneration for 2022 and previous years, which will be received by individuals in 2023 and subsequent years.

The amounts shown in the tables in relation to the part of the variable remuneration under the Long-Term Incentive Plan (LTIP) relate to payments in the form of cash (CPU). The portion regulated in the form of restricted stock units (RSUs) is described in Chapters IV and V of this report.

Table 3		
Payment in 2023		
Name and surname	Variable compensation PLN LTIP for 2020-2022	Variable compensation PLN EAIP for 2022
Management Board		
Leszek Szafran	221 733,00	244 370,00
Ireneusz Maksymiuk	142 950,00	155 249,00

Table 4	
Compensation accrued but not paid out as of 31 December 2022 covering the assessment period 2021-2023 and 2022-2024	
Management Board	
Name and surname	Variable compensation PLN LTIP
Leszek Szafran	206 817,33
Ireneusz Maksymiuk	124 469,00

IV. Number of financial instruments granted or offered by the Company and the main conditions for the exercise of rights from these instruments

In the calendar year 2022, the rights to all 2019 LTIP RSU units were acquired. The LTIP awards acquired in 2019 consisted of 50% RSUs and 50% CPUs. The acquisition of the RSU occurred in 1/3 on each anniversary of the award, starting from 2020 to 2022. The acquisition of the right to the entire CPU took place after the end of the three-year period and included RSUs to which the acquired rights were one-third per year on the 1st, 2nd and 3rd anniversaries of the date of award. Limited Equity Units (RSUs) are acquired once and converted into Goodyear shares. Members of the Management Board may keep or sell them.

Since 2020, variable remuneration resulting from LTIP is granted only in cash.

Table 5 contains rights to all 2019 RSU LTIP units acquired on 25 February 2022

Table 5				
2022				
Name and surname	Restricted Stock Units	Fair value of Goodyear shares in PLN	Release date	Value of units released in PLN
Management Board				
Leszek Szafran	568	64,23	25.02.2022	36 482,29
Ireneusz Maksymiuk	332	64,23	25.02.2022	21 324,16

V. Compensation from entities belonging to the Company's capital group

The Company did not have subsidiaries in 2022.

For clarity's sake, the Company reveals below the amounts of remuneration paid to the Management and Supervisory Board Members by other entities and borne (due to recharge) by the Company.

The costs incurred by the Company on the basis of received invoices in respect of the remuneration for Mr. Mirosław Maziarka employed by Goodyear SA in the year reported amounted to PLN 559 967,63.

The above amount does not include the portion of the remuneration regulated in the form of restricted stock units (RSUs), which is shown in the table below:

Table 6				
2022				
Year	Restricted Stock Units	Fair value of Goodyear shares in PLN	Release date	Value of units released in PLN
Management Board				
2022	332	64,23	25.02.2022	21 324,16

Costs incurred by the Company on the basis of received invoices regarding the remuneration for the work of Mr. Marko Nahtigal employed by Goodyear Slovenija d.o.o. In the year covered by the report, they amounted to PLN 553 939,38 (including the costs of renting an apartment of PLN 33 238,57).

Table 7 and Table 8 present the variable remuneration for 2022 and previous years, which was paid to Mr. Marko Nahtigal in 2023 and will be received by him in subsequent years.

Table 7	
Payment in 2023	
Variable remuneration PLN LTIP for 2020-2022	Variable remuneration PLN EAIP for 2022
68 482,14	166 239,20

Table 8
Remuneration accrued but not paid as of 31 December 2022 covering the evaluation periods: 2021-2023 and 2022-2024
Variable remuneration PLN LTIP
94 755,24

The costs incurred by the Company on the basis of invoices received regarding the remuneration for the work of Ms. Anna Winiarska-Miśkowiec employed by Goodyear Polska Sp z o.o. in the year covered by the report amounted to PLN 33 708,84.

VI. Compliance with the adopted compensation policy; contributing to the long-term results of the Company

The total compensation paid to members of the Management Board and the Supervisory Board is compliant with the Company's rules that were in force in 2022 up to the date of introduction of the remuneration policy ("Policy") as well as with the Policy after it entered into force in 2020. Each of the above-mentioned components of compensation was provided for in the said rules and subsequently in the Policy and paid in line with these rules and subsequently with the Policy. Members of the Management Board and Supervisory Board did not receive any component of compensation that would not result from the said rules and subsequently from the Policy.

Members of the Management Board and the Supervisory Board may be entitled to components of compensation linked to achievement of the Company's long-term objectives (in the form of cash or financial instruments), which has a positive effect on their motivation to achieve these objectives. The Supervisory Board Members are not entitled to receive variable compensation for performing their functions as members of the Supervisory Board.

VII. Information on how the performance criteria have been applied

1. The Annual Executive Incentive Plan ("EAIP") is the key management annual incentive plan realized in cash. The annual target level of EAIP may range from 20% to 40% of the employee's fixed annual basic salary as at 31 December of the year covered by the incentive plan. The payment of the individual award can vary from 0% to 200% of the employee's EAIP level. An employee's annual EAIP is proportionally recalculated to reflect performance in the year covered by the plan based on the date of promotion. The granting of annual EAIP payments is subject to the achievement of the company's financial performance and individual objectives: cash and liquidity, costs, market share and individual targets in relation to EMEA objectives. Unless the employee meets the retirement criteria set out in the EAIP, an additional condition for payment is to remain an employee of the Company as at 31 December of the relevant year covered by the plan.
2. The Long-Term Incentive Plan ("LTIP") covers a three-year period with a payout potential of 50% to 200% for a given year and is currently executed in cash only (CPU). The CPU value is equal to 1USD per unit. The granting of distributions is based on the achievement by the Company of financial results: net revenue, cash flow, return on capital, TSR modifier (Total Share Return). Metrics and targets are set by Goodyear Board of Directors' Compensation Committee. LTIP is subject to change and may include other types of awards and grant combinations in the future. Unless an employee meets the retirement criteria set out in the EAIP, an additional condition for payment is that they remain an employee of the Company as at 31 December of the last year covered by the plan.

VIII. Information on the remuneration and results of the Company

Total compensation received by members of the Management Board and Supervisory Board includes only remuneration received directly from the Company. RSU is not included.

Components /year	2018	2019	% change	2020	% change	2021	% change	2022	% change
Total compensation received by Members of Management Board PLN	2 867 400,31	2 421 732,36	-15,54%	2 525 636,34	4,29%	2 642 336,65	4,62%	2 672 362,46	1,14%
Total compensation received by Members of Supervisory Board PLN	463 017,70	584 003,19	26,13%	603 108,00	3,27%	603 720,63	0,10%	600 571,17	-0,52%
EBIT (results in k PLN)	99 622	119 747	20,20%	80 256	-32,98%	50 880	-36,60%	78 570	54,42%
Net Income (results in k PLN)	89 752	112 739	25,61%	68 392	-39,34%	42 679	-37,60%	72 597	70,10%
Net Cash Flow (results in k PLN)	21 865	39 530	80,79%	5 266	-86,68%	-26 904	-610,90%	-43 287	-60,89%

Management Board	2019	2020	% change	2021	% change	2022	% change
Leszek Szafran	1 041 244,23	1 139 203,50	9,41%	1 164 096,32	2,19%	1 434 088,26	23,19%
Ireneusz Maksymiuk	778 453,97	813 436,19	4,49%	872 668,95	7,28%	1 054 299,94	20,81%
Michał Mędrrek	602 034,16	572 996,65	-4,82%	605 571,38	5,68%	183 974,26	-69,62%
Supervisory Board	2019	2020	% change	2021	% change	2022	% change
Łukasz Rędziński (to 02.09.2021)	134 070,97	135 606,89	1,15%	149 382,87	10,16%	0	
Andrzej Kowal (from 25.06.2019)	57 213,06	135 316,66	136,51%	168 780,27	24,73%	194 162,74	15,03%
Maciej Mataczyński (to 26.06.2020)	163 257,33	102 652,08	-37,12%	0		0	
Krzysztof Mika (from 25.06.2019 to 24.08.2020)	102 220,17	164 815,60	61,24%	0		0	
Janusz Raś (to 24.06.2019)	127 241,66	64 716,77	-49,14%	137 460,51	112,40%	109 363,41	-20,44%

(from 25.08.2020 to 22.06.2021)							
Marek Piękoś (from 23.06.2021)				112 535,82		141 714,78	25,93%
Agnieszka Modras (from 06.09.2021)				35 561,16		155 330,24	336,80%

Information on the amount of the average remuneration of the Company's employees who are not members of the Management Board or the Supervisory Board.

Table 11		
Year	Average compensation of the Company's employees PLN	% change
2017	4 670,57	5,29
2018	4 984,47	6,72
2019	5 448,65	9,31
2020	5 704,20	4,69
2021	6 246,78	9,51
2022	6 327,56	1,29

Information on whether the Company made use of the possibility to request reimbursement of the variable compensation components.

During the period covered by the Report the Company did not address to any parties covered by the Policy for reimbursement of variable compensation.

Information on deviations from the procedure of implementation of the compensation policy and temporary waiver of its' application.

The policy was adopted on August 25, 2020 and entered into force on that date. The Policy was implemented in line with the applicable procedure. The Company did not temporarily waive the application of the Policy.