

# FIRMA OPONIARSKA DĘBICA S.A.

## Compensation Policy for the Management Board and Supervisory Board Members

### General Principles

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This Policy was prepared in accordance with the relevant laws and regulations, including the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (the “SRD II Directive”) and the Act of 29 July 2005 on offerings, terms and conditions governing the introduction of financial instruments to the organised trading system, and on publicly traded companies

### Article 1. Purpose, subject matter and scope of application of the Policy

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1. This Policy establishes a competitive framework aligned with the Company’s strategy and business environment as recommended by applicable Best practices for the WSE-listed companies. The Policy is designed to increase medium and long-term performance and competitiveness and is therefore in the Company’s best corporate interests.
2. The Policy contributes to the Company’s performance by offering the possibility to factor the Company and/or the Group performance into the calculation of the variable compensation of its management. In particular, in the decision-making process for the determination and revision of this Policy, it has been chosen to allow the possibility to apply the variable compensation for executives of the Group.
3. In order to avoid conflicts of interest related to the Policy, the compensation of Members of the Management Board and the Supervisory Board is determined by a body other than the one in which a given Member covered by the Policy serves.
4. This Policy shall apply exclusively to the Management and Supervisory Board Members. The rules of remunerating the remaining employees or other persons cooperating with the Company are laid down in separate rules, regulations, policies and individual agreements.
5. When establishing the Policy, the working conditions and compensation of the Company’s employees other than the Members of the Management Board and the Supervisory Board were taken into account by verifying the structure and level of remuneration of the Company’s employees and taking into account the proportion of these benefits to the compensation of the executives.

### Article 2. Definitions

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Terms used herein shall mean as follows:

1. **Policy** – Compensation Policy for the Management Board and Supervisory Board Members in Firma Oponiarska Dębica S.A
2. **Company** – Firma Oponiarska Dębica S.A.
3. **Management Board Member** – a person carrying out the function of the Company Management Board Member and at the same time discharging duties applicable to different positions within the Group.
4. **Supervisory Board Member** – the Company’s Supervisory Board Member.
5. **Group** - the Goodyear capital group to which the Company belongs.
6. **Articles of Association** – the Company’s Articles of Association.

### **Article 3. General terms of employment**

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1. Members of the Management Board are appointed to perform duties in the Management Board on the basis of resolution of the Supervisory Board from among employees by the Company or Group. The period of holding office by a Member of the Management Board on the basis of appointment as well as the period and conditions of expiry or termination of this legal relationship are specified in the Articles of Association.
2. The Company may enter into employment contracts with Management Board Members. Management Board Members compensation programs should motivate the Company's executives to take actions that are aligned with the Company's short and long-term strategic objectives, and appropriately balance risk versus potential reward.
3. Employment contracts entered with Management Board Members may provide for a notice period, at the request of either party, longer than that stipulated in the generally applicable regulations, but no longer than 6 months.
4. Employment contracts entered with Management Board Members may include among other things, certain confidentiality, non-solicitation and non-competition covenants.
5. The Supervisory Board Members shall discharge their duties pursuant to the resolution passed by the Company Annual General Meeting, or upon being co-opted on basis of the Supervisory Board's resolution in accordance with the rules set out in the Articles of Association.
6. The Company does not sign any employment contracts with the Supervisory Board Members (except for the representative of the Company's employees appointed in accordance with the Articles of Association).
7. Employment contracts concluded with the Supervisory Board Members being the Company employees shall remain valid, regardless of their mandate.

### **Article 4. Components of compensation**

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1. The level of the compensation of the Management Board Members should reflect the professional experience and the roles and responsibilities required for their position. It should also be consistent with our performance-based compensation philosophy and serves the long-term interests of our shareholders. It may include a base salary, and variable portion including compensation under incentive schemes. It may also include other fixed compensation-like additional benefits under the Labour Code, including, in particular, sick pay and paid holiday leave.
2. Accordingly, the compensation program for Management Board Members is based on the following core principles:
  - **FIRST**, compensation schemes should motivate our executives to take actions that are aligned with our short-and long-term strategic objectives, and appropriately balance risk versus potential reward.
  - **SECOND**, as executives move to a greater level of responsibility, the percentage of their pay based on performance should increase to ensure the highest level of accountability to shareholders.
  - **THIRD**, variable compensation should offer an opportunity for above average compensation when performance exceeds goals balanced by the risk of below average compensation when it does not.
  - **FOURTH**, the percentage of total compensation paid in the form of incentive schemes, including a scheme based on financial instruments, should also increase as executives have increasing

responsibility for corporate performance, thereby more closely aligning their interests with those of the Company and its shareholders.

3. In the event of the termination of the employment contract on the Company's initiative, the Management Board Member may be entitled to a severance pay in the amount and on the terms specified in the Supervisory Board's resolution or with the Company.
4. Members of the Management Board may also be entitled to compensation among other things, based on certain confidentiality and non-competition covenants that may apply after termination of their employment contract.
5. The detailed rules of awarding the components of compensation listed in Article 4(1) and laying down the criteria referred to in Article 6 may be specified by the Supervisory Board in separate policies, rules and regulations concerning the rules of compensation, and in the employment agreements, within the limits set herein.
6. The Supervisory Board may also set specific vesting periods, deferred payment periods and decide on specific conditions allowing the Company to demand that all or part of the variable compensation components be reimbursed.
7. Each month, Supervisory Board Members shall be entitled to the salary for the function performed except for the situations specified in Articles 4(8). Supervisory Board Member's compensation shall be calculated based on the average monthly salary in the Company for the previous calendar quarter.
8. Supervisory Board Members employed by the companies from the Group, with exception of the Company, are not entitled to compensation for carrying out the function of Supervisory Board Member of the Company.
9. The compensation of the Management and Supervisory Board Members shall be paid on terms applicable to all Company employees, save for the special provisions stipulated herein.

## **Article 5. Base salary**

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1. The Management Board Members shall receive base salary calculated in a manner reflecting the professional experience and the roles and responsibilities specified in the job description or in the employment contract.
2. The Company's Management Board Members shall not be entitled to compensation due to their appointment to the supervisory or management boards or other managing bodies other than of the Group.
3. Members of the Management Board have the right to obtain reimbursement of necessary expenses resulting from the performance of their duties as a Member of the Management Board of the Company, which will be subject to standard procedures in the Company.
4. Subject to Article 4(8), the Chairperson of the Supervisory Board shall be granted compensation in the amount three times the compensation referred to in second sentence in Article 4(6).
5. Subject to Article 4(8), the Vice-Chairperson and the Secretary of the Supervisory Board shall be granted compensation in the amount two and a half times the compensation referred to in second sentence in Article 4(6).
6. Subject to Article 4(8), the remaining Supervisory Board Members shall be granted compensation in the amount twice the compensation referred to in second sentence in Article 4(6).

## **Article 6. Variable compensation**

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### **General terms**

1. To link the compensation of the Management Board Members with the Company's or Group's short – term and long-term interests, a Management Board Member may be awarded a variable remuneration granted in the form of compensation resulting from annual and long-term incentive schemes for the corporate and individual performance.
2. The variable compensation may be granted based on clear, comprehensive, pre-defined and differential criteria relating to the financial and non-financial results, and particularly including the profits before taxation, the sales volume and other operating indices or key performance indicators relevant for the Management Board Member's area of responsibility.
3. In determining the criteria and the amount of variable compensation, the Supervisory Board should consider various factors, including the Company performance against corporate and operating unit objectives, the compensation of officers with similar responsibilities at comparable companies, individual performance achieved by individual Members of the Management Board, current and future responsibilities, and retention considerations.
4. Variable remuneration in the form of an annual incentive program will be determined in connection with the achievement of the main short-term financial objectives measured primarily by the achievement of the annual operational and strategic objectives of the Company, regional operating units and a given Member of the Management Board, as well as the demonstration of managerial and leadership skills.
5. The total variable remuneration that may be awarded in a given year should not exceed 250% of the annual basic salary.
6. The achieved financial and non-financial indicators may vary between 0–200%, depending on the satisfaction of the specified criteria.
7. Assessment of individual performance may include compliance with the Company's corporate responsibility strategy taking into account factors, such as, public interest, environmental protection and social responsibility.
8. The Supervisory Board Members are not entitled to receive variable compensation for the function performed.

### **Variable compensation – annual incentives schemes**

1. The Company may grant variable compensation to Management Board Members resulting from annual incentive programmes.
2. Variable remuneration resulting from annual incentive schemes will be paid on the terms and on dates set out in the regulations of the relevant scheme.

### **Variable compensation - multi-year Incentives Programs**

1. The Company may grant to Management Board Members a variable compensation resulting from multiannual incentive schemes.
2. Multiannual incentive schemes may be constructed on the basis of financial instruments or grant compensation in the form of financial instruments. In the event that the Company implements an incentive scheme awarding compensation in the form of financial instruments, the Supervisory Board

shall determine the periods in which the right to obtain such multi-year variable compensation is acquired, the rules of transferring those financial instruments as well as the explanation on its contribution to the business strategy, long-term interests and stability of the Company.

3. Variable remuneration resulting from multiannual incentive schemes will be paid in accordance with the rules and regulations of the relevant scheme.

## **Article 7. Additional benefits**

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1. Management Board Members may be granted additional benefits by the Supervisory Board, including in particular:
  - a company car based on the Company's applicable company car policy,
  - private health care including for the benefit of close persons,
  - participation in the Employee Pension Scheme on terms applicable to all employees and in accordance with the rules set out in the Act of 20 April 2004 on Occupational Pension Schemes;
  - group life insurance,
  - accidental death and dismemberment insurance,
  - civil liability insurance (D&O) on the same terms and conditions as for executives of the Group,
  - contributions to the investment fund named by the Management Board Member fixed amount specified in the employment contract,
  - global mobility benefits,
  - other additional components of compensation available to all employees of the Company on uniform terms for all employees.
2. Any changes to the above-mentioned benefits shall be reviewed by the Supervisory Board of the Company.
3. The Company does not provide any old age and disability pension plans or earlier retirement plans other than the Employee Pension Scheme.
4. As a result of the annual remuneration review, the Company may, instead of a salary increase, grant a Management Board Member a lump sum that will not be added to the Management Board Member's base salary.

## **Article 8. Decision-making process to adopt, implement and review the Policy**

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1. This Policy and the material amendments hereto shall be adopted and implemented by the Annual General Meeting by means of a resolution.
  1. The Management Board:
    - i. is responsible for preparing, updating and implementing the Policy and related documents,
    - ii. amends the Policy to the extent that does not constitute a material amendment to the Policy,
    - iii. provides the Supervisory Board with the information necessary to verify the Policy and its application.
2. Once the Policy has been adopted, the Company shall – without undue delay – publish it on its website which shall remain available at least throughout their validity period.

## **Article 9. Application of this Policy**

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1. This Policy shall be periodically reviewed by the Annual General Meeting, at least every four years.
2. A material amendment to the Policy shall require a resolution of the Annual General Meeting.
3. An amendment to the Policy that does not constitute a material amendment to the Policy requires a resolution of the Management Board.
4. The Supervisory Board gives its opinion on the amendments to the Policy proposed by the Management Board.
5. The Company shall pay the Management and Supervisory Board Members' compensation in accordance with the Policy.
6. Should the Annual General Meeting reject the amendments to the Compensation Policy or the new compensation policy, the Company shall pay the compensation in accordance with the applied Policy.
7. The Supervisory Board shall exercise supervision over the application of this Policy and over its compliance with the corporate governance principles implemented at the Company, the corporate culture, risk appetite, and with the related managerial processes, and it shall also approve any subsequent material deviations from the application hereof with respect to the Management and Supervisory Board Members.
8. The application hereof may be temporarily suspended at the Supervisory Board's decision, in exceptional circumstances and provided that this is required to further the Company's long-term interests and ensure its financial stability, or to guarantee its profitability. In such cases, the Supervisory Board may – by means of a resolution passed with the absolute majority of votes – decide to depart from the rules specified in Articles 5 and 6 for a period of up to 12 calendar months.
9. Such departure from the rules laid down herein for the period of longer than 12 calendar months requires a resolution to be passed by the Annual General Meeting.
10. The Policy was adopted by Resolution No. 25 of the Annual General Meeting of the Company dated August 25, 2020, and subsequently amended by Resolution No. 30 of the Annual General Meeting of the Company dated 27 June 2024 (the "**Amending Resolution**").
11. The Amending Resolution clarifies: (i) the principles of avoiding conflicts of interest, (ii) an explanation of how the working conditions and compensation of the Company's employees other than members of the Management Board and the Supervisory Board were taken into account when establishing the compensation policy, (iii) information on the employment of Management Board Members and Supervisory Board Members, (iv) mutual proportions of fixed and variable remuneration components, (v) a description of variable remuneration components, which may be granted to Members of the Management Board, (vi) information on additional benefits that may be granted to Members of the Management Board, (vii) the procedure for amending the Policy. The resolution referred to in Article 90g(6) of the Act does not contain any conclusions that should be included in the Policy.

Adopted on 27 June 2024.