

**REMUNERATION POLICY  
FOR MEMBERS OF THE MANAGEMENT  
BOARD AND  
MEMBERS OF THE SUPERVISORY  
BOARD OF  
LIVECHAT Software SA**

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**WROCLAW, AUGUST 2020**



## **I. GENERAL PROVISIONS**

1. This Remuneration Policy is introduced by Resolution No 18/2020 of 18 August 2020 of the Annual General Meeting of Shareholders of LIVECHAT Software SA.
2. The terms defined below shall have the following meaning in the Remuneration Policy:
  - 1) “**Member of the Supervisory Board**” – a member of the Supervisory Board of the Company;
  - 2) “**Member of the Management Board**” – a member of the Management Board of the Company;
  - 3) “**Capital Group**” – the Company and its Subsidiaries;
  - 4) “**Labour Code**” – the Act of 26 June 1974 – Labour Code (consolidated text: Journal of Laws of 2019, item 1040, as amended);
  - 5) “**Audit Committee**” – the Audit Committee of the Supervisory Board;
  - 6) “**CCC**” – the Code of Commercial Companies, the Act of 15 September 2000 (consolidated text: Journal of Laws of 2019, item 505, as amended);
  - 7) “**Remuneration Policy**”; “**Policy**” – this document adopted on the basis of Article 90d paragraph 1 of the Act on Public Offering;
  - 8) “**Supervisory Board**”; “**Board**” – the Supervisory Board of the Company;
  - 9) “**Company**” – LIVECHAT Software SA with its registered office in Wrocław;
  - 10) “**Subsidiary**” – a subsidiary of the Company within the meaning of Article 4 point 15 of the Act on Public Offering;
  - 11) “**Act on Public Offering**” – the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to an organised trading system, and on public companies (consolidated text: Journal of Laws of 2019, item 623, as amended);
  - 12) “**General Meeting**” – the General Meeting of the Company;
  - 13) “**Management Board**” – the Management Board of the Company.
3. The Remuneration Policy is part of the management rules functioning at LIVECHAT Software SA, based on corporate culture which involves a clear organisational structure, ethical values and staff competence, powers and responsibilities, information channels, control mechanisms and the company risk management system.
4. The Remuneration Policy has been developed taking into account, in particular, the rules and criteria set out in *Chapter 4a (Articles 90c to 90g) Remuneration Policy and the remuneration reports* of the Public Offering Act.
5. The Remuneration Policy for Members of the Management Board and Supervisory Board has been developed and implemented in order to establish the rules and mechanisms of remunerating Members of the governing bodies in a manner that ensures:
  - 1) implementation of the Company’s business strategy, as specified herein,
  - 2) pursuit of the Company’s long-term interests and stability,
  - 3) proper and effective management of the Company’s business risk,

- 4) limiting and preventing conflicts of interest.
6. The solutions adopted in the Policy have been established in such a manner as to contribute to the implementation of the business strategy, pursuit of long-term interests and stability of the Company and its development. The business strategy of the Company is based on the following pillars:
  - 1) offering the Company's customers the best technological solutions and the Company's expertise accumulated through many years of experience in the field of development and support of online communication;
  - 2) maintaining the concentration of the Company's expansion in the US market, that is the largest market in terms of sales value and future growth potential, but also due to the fact this market sets trends for the entire industry;
  - 3) maintaining the economies of scale derived from the fact that the Company's solutions and products are used by thousands of companies and millions of end users;
  - 4) maintaining the Company's position as a producer and global supplier of "LiveChat" software, while developing at the same time other Company's products;
  - 5) maintaining the Company's development strategy which envisages constant and sustainable expenditure on further development of the "LiveChat" product;
  - 6) building a business ecosystem around the products placed on the market by the Company, including a larger communication platform that brings together the Company's products and other tools in the field of customer service, e-commerce, CRM and marketing automation.
7. The long-term interests of the Company are consistent with the interests of all groups of its Shareholders which are always considered while respecting the legitimate rights of others, e.g. employees, customers, etc.
8. Subject to further provisions, the Remuneration Policy shall not interfere with the statutory powers of the Company's governing bodies to determine the amount of and award various remuneration components to Members of the Management Board and Supervisory Board of the Company.
9. This Remuneration Policy is a document of a higher priority than other documents that have been adopted in the Company and will be adopted in the Company with regard to the rules governing the remuneration for Members of the Management Board and Supervisory Board, which means in particular that each decision of the Company's statutory body to award a remuneration component or to define the amount or method of payment of the remuneration component to a Member of the Management Board or Supervisory Board of the Company must comply with the rules and criteria set out in the currently applicable Remuneration Policy.
10. This Remuneration Policy shall be valid for a period of four years, i.e. until 30 June 2024, at the latest.
11. A significant amendment to the Remuneration Policy shall require a resolution to be adopted by the General Meeting of the Company. The Remuneration Policy may be amended and

updated at the request of the Shareholders, the Management Board or the Supervisory Board of the Company.

12. The Management Board shall be responsible for the information contained in the Remuneration Policy, which in particular means that the Management Board of the Company shall be responsible for the publication of the resolution of the General Meeting with the Remuneration Policy adopted or its amendment on the Company's website: <https://investor.livechatinc.com/pl/walne-zgromadzenia/>. The publication must also contain information on the date of the resolution was adopted and the results of the Shareholders' voting. Published documents related to the Remuneration Policy must be available throughout the period of their validity and application.

## **II. REMUNERATIONS OF MEMBERS OF THE MANAGEMENT BOARD**

### **A. Legal basis for remunerating Members of the Management Board**

1. The legal basis for remunerating Members of the Management Board is the legal relationship between the Company and a Member of the Management Board.
2. The management of the Company shall be entrusted on the basis of the following legal relationships:
  - 1) employment relationship performed under an employment contract concluded for an indefinite period;
  - 2) a contract for Company management service (management contract) concluded for the duration of the function of a Member of the Management Board;
  - 3) appointment to perform the function of a Member of the Management Board for the duration of the function of a Member of the Management Board.
3. The Supervisory Board, while conducting negotiations with a Member of the Management Board, shall define the legal basis for the management relationship established with a Member of the Management Board and the rules governing the remuneration paid to a Member of the Management Board.
4. The legal basis for the management of the Company by a Member of the Management Board shall be established by way of a resolution of the Supervisory Board.
5. The Supervisory Board shall determine the amount of remuneration paid by the Company to a Member of the Management Board by way of a resolution.
6. The period of notice for employment contracts shall be determined on the basis of the provisions of the Labour Code. The period of notice for management contracts and other civil law contracts shall not be less than three months.
7. The President of the Management Board and each of the Members of the Management Board may, in justified cases, submit a request to the Supervisory Board to change the legal basis of the management relationship established and to change the rules or amount of remuneration of a Member of the Management Board, including the determination of a different value of

the fixed and variable parts of remuneration, and a different scope and value of non-cash benefits.

#### **B. Components of remuneration for members of the Management Board**

1. Regardless of the legal form of the relationship between a Member of the Management Board and the Company, a Member of the Management Board may receive the cash remuneration consisting of two parts, i.e.:
  - 1) a fixed part (Basic Salary), and
  - 2) a variable part (Bonus Remuneration; Bonus).
2. When appointing a Member of the Management Board, the Supervisory Board shall specify the basic components of the cash remuneration of a Member of the Management Board, including the amount of the Basic Salary and the amount of the Bonus Remuneration, and the rules of making variable remuneration dependent on the Company's financial results or other criteria which are specified in the resolution appointing a Member of the Management Board or in a separate resolution.
3. The rules set out in paragraph 2 above shall apply to changes in the remuneration of the Management Board Members made by the Supervisory Board while performing the function in the Company's Management Board by a Member of the Management Board.
4. The Supervisory Board may also grant a Member of the Management Board the right to non-cash benefits, as specified herein.

#### **C. Basic Salary of Members of the Management Board**

1. Each member of the Management Board of the Company may receive the Basic Salary, paid monthly in the fixed amount specified in the resolution of the Supervisory Board. The Basic Salary shall be paid on the date of payment of salaries to the Company's employees. The monthly Basic Salary shall be determined as gross amount.
2. If the Company concludes an employment contract or a management contract with a Member of the Management Board, the amount of the Basic Salary shall be clearly indicated therein. If the Basic Salary is paid on the basis of a resolution of the Supervisory Board due to the appointment of a Member of the Management Board and for the duration of the function of a Member of the Management Board, the amount of the Basic Salary shall be clearly specified in the resolution of the Supervisory Board.
3. The amount of the Basic Salary awarded to a Member of the Management Board may not exceed 15 times the average monthly salary in the enterprise sector, excluding profit awards in the fourth quarter of the previous year, published by the President of the Central Statistical Office.
4. The payment of the Basic Salary shall not be reduced, suspended or cancelled, except in cases provided for in generally applicable laws.

#### **D. Bonus Remuneration of Members of the Management Board**

1. Each Member of the Management Board of the Company may receive variable remuneration, i.e. the Bonus Remuneration, depending on the financial results of the Company and/or depending also on other criteria clearly indicated in the relevant resolution of the Supervisory Board.
2. The Variable Remuneration may also depend on the financial results of the Capital Group, if the Supervisory Board so decides.
3. The purpose of the Bonus Remuneration is to reward members of the Management Board for achieving quantitative or qualitative tasks, contributing to the increase in the value of the Company, achieving results by the Company during the financial year, and contributing to the achievement of long-term objectives by the Company.
4. Specific rules for determining, calculating and paying the Bonus Remuneration shall be specified by the Supervisory Board in a resolution or in the adopted remuneration regulations for the Management Board.
5. The Variable Remuneration shall be determined as gross amount.
6. The Bonus Remuneration shall be paid after the end of the financial year for which the Remuneration is calculated and paid, based on the data from the financial statements of the Company and/or the Capital Group, confirmed by the auditor's report.
7. The Supervisory Board may establish the right to advance payment of a part of the Bonus Remuneration, but not more than **75% (seventy-five percent)** of its maximum value envisaged for this financial year, or otherwise limit the possibility of paying the entire amount of the Variable Remuneration which is due in the financial year concerned. Advance payments shall be made on a quarterly or semi-annual basis.
8. The rules for calculating, paying and returning the overpaid Bonus Remuneration that a Member of the Management Board is entitled to receive shall be determined by resolutions of the Supervisory Board, and if an employment contract or a managerial contract has been concluded, also by these documents.
9. If it is found during the financial year that there are no grounds to pay the Bonus Remuneration to a Member of the Management Board, the President of the Management Board shall be required to notify the Chairman of the Supervisory Board of such circumstances. The notification shall suspend the advance payments. The Supervisory Board shall immediately decide whether to suspend the advance payments. If the Supervisory Board confirms that there are good reasons for the notification, a Member of the Management Board shall be required to return the overpaid amount of the Bonus Remuneration. A Member of the Management Board shall be required to accept in writing the rules of settlement of overpaid advances by means of a deduction.

#### **E. Severance pay for Members of the Management Board**

1. If the Company management relationship is performed by a Member of the Management Board on the basis of an employment contract or a managerial contract, a Member of the Management Board may be entitled to a severance pay in the event of dismissal from the Management Board and termination of the employment contract or managerial contract before the end of the term of office of the Management Board.
2. The amount of the severance pay cannot be higher than the equivalent of ten times the Basic Salary that a Member of the Management Board is entitled to on the date of dismissal and termination of the employment contract or managerial contract.
3. The amount of the severance pay shall be determined by the Supervisory Board by way of a resolution. The Supervisory Board shall also determine the dates and manner of payment of the severance pay and the cases in which the severance payment is not to be paid to a former Member of the Management Board.
4. Decisions of the Supervisory Board, referred to in paragraph 3 above, shall be included in the employment contract or managerial contract concluded with a Member of the Management Board.

**F. Non-cash benefits for Members of the Management Board**

1. Each Member of the Management Board of the Company may receive non-cash benefits from the Company, including:
  - 1) the right to use specific assets of the Company, in particular a company car;
  - 2) the right to additional insurance;
  - 3) the right to use additional benefits on the terms set out for persons employed in the Company and cooperating on a regular basis with the Company,
  - 4) the right to participate on general terms in the pension schemes functioning in the Company (including the Employee Capital Plans), if such programs are developed and implemented.
2. The scope and rules related to non-cash benefits that a Member of the Management Board is entitled to shall be specified in detail by the Supervisory Board by way of a resolution. If an employment contract or a managerial contract is concluded with a Member of the Management Board, the scope of non-cash benefits shall also be specified in these documents.

**III. REMUNERATIONS OF MEMBERS OF THE SUPERVISORY BOARD**

**A. Legal basis for remunerating Members of the Supervisory Board**



1. Members of the Supervisory Board shall receive remuneration on the basis of the corporate relationship resulting from their appointment by appropriate resolutions for the period of their mandate. The duration of their mandate is governed by law and depends on specific circumstances. The term of office of the Supervisory Board shall be set for all Members and last three years.
2. Resolutions of the General Meeting shall be the sole legal basis for remunerating Members of the Supervisory Board for their functions in the Supervisory Board.
3. The rules governing the remuneration paid to a Member of the Supervisory Board may be specified in the resolution appointing them to perform the function of a Member of the Supervisory Board or in a separate resolution adopted by the General Meeting.
4. Members of the Supervisory Board shall be entitled to reimbursement of costs related to their participation in the work of the Supervisory Board. The rules for reimbursement of costs shall be specified in a resolution of the General Meeting.

#### **B. Elements of remuneration paid to Members of the Supervisory Board**

1. Members of the Supervisory Board shall be paid fixed monthly remuneration (Fixed Remuneration).
2. Members of the Supervisory Board delegated to perform individual supervision on a permanent basis shall receive a separate remuneration, the elements and amounts of which shall be determined by the General Meeting in a resolution, in which case the payment of the Fixed Remuneration shall be suspended.
3. The Fixed Remuneration of a Member of the Supervisory Board should vary depending on the function performed (e.g. chairman and deputy chairman of the Supervisory Board and its committees, participation in Supervisory Board committees). The remuneration of the Supervisory Board Members who meet the independence criterion should be conducive to maintaining the status of independence from the majority shareholder and the Company's decision-makers. The remuneration of the Supervisory Board Members shall be determined on an individual basis by the General Meeting by way of a resolution.
4. The maximum amount of the Fixed Remuneration of Supervisory Board Members shall be as follows:
  - 1) Chairman of the Supervisory Board – three times the average monthly salary in the enterprise sector, including profit sharing bonuses in the fourth quarter of the previous year, published by the President of the Central Statistical Office;

- 2) Vice-chairman of the Supervisory Board – twice the average monthly salary in the enterprise sector, including profit sharing bonuses in the fourth quarter of the previous year, published by the President of the Central Statistical Office;
  - 3) Member of the Supervisory Board – one times the average monthly salary in the enterprise sector, including profit sharing bonuses in the fourth quarter of the previous year, published by the President of the Central Statistical Office;
  - 4) Member of the Supervisory Board who meets the independence criterion – twice the average monthly salary in the enterprise sector, including profit sharing bonuses in the fourth quarter of the previous year, published by the President of the Central Statistical Office;
  - 5) Chairman of the Supervisory Board Committee – twice the average monthly salary in the enterprise sector, including profit sharing bonuses in the fourth quarter of the previous year, published by the President of the Central Statistical Office;
  - 6) Member of the Supervisory Board Committee - 0.5 times the average monthly salary in the enterprise sector, including profit sharing bonuses in the fourth quarter of the previous year, published by the President of the Central Statistical Office.
5. Remuneration for participation in the Supervisory Board and for participation in a committee of the Supervisory Board shall add up.
  6. The Fixed Remuneration shall be awarded in gross amounts. The General Meeting shall determine in a resolution the dates of payment of the Fixed Remuneration.
  7. A member of the Supervisory Board shall not be entitled to the Fixed Remuneration for the month in which the member of the Supervisory Board was not present at the meeting of the Supervisory Board or its committee for unjustified reasons. The Supervisory Board shall decide by way of a resolution to justify or not justify the absence of a Member of the Supervisory Board.
  8. The Fixed Remuneration shall be calculated in proportion to the number of days during which the function is held, if the appointment, dismissal or expiry of the mandate for other reasons took place during the calendar month.

#### **IV. REDUCTION IN REMUNERATION**

Members of the Management Board, for managing the Company and performing functions in the Management Board of the Company, and Members of the Supervisory Board, for performing functions in the Supervisory Board of the Company, shall not receive from the Company any cash and non-cash remuneration other than that referred to above in points II and III of the Regulations.

**V. PENSION SCHEMES**  
**AND REMUNERATION IN THE FORM OF FINANCIAL INSTRUMENTS**

1. During the period of these Regulations, the introduction of any pension schemes for Members of the Management Board and Members of the Supervisory Board is not envisaged.
2. During the period of these Regulations, the introduction of any incentive schemes that involve payment of remuneration in the form of financial instruments to Members of the Management Board and Members of the Supervisory Board is not envisaged.

**VI. TAKING INTO ACCOUNT THE WORKING AND PAY CONDITIONS OF  
OTHER EMPLOYEES**

1. The Company, due to its predominant activity, i.e. the development of software solutions, relies mainly in its business operations on persons employed under fee-for-task contracts and self-employed persons (sole proprietors). The use of such forms of cooperation enables flexible selection of the best staff and quick response to the constantly economic situation related to the availability of human resources on the market at a given time, which is typical, in particular, of the sector in which the Company operates. It also makes it possible to adjust the terms of cooperation with the staff to the tasks performed, in particular, to establish a close link between the amount of remuneration and the economic effects achieved by the Company and/or the Group.
2. Members of the Management Board perform activities that involve managing the Company on the basis of resolutions adopted by the Supervisory Board, but it is possible to employ them under employment contracts or management contracts. The division of the cash remuneration of the Management Board Members into a fixed part and a variable one, the amount of which depends on the economic effects achieved by the Company and/or the Group to an even greater extent than in the case of other employees (with a predominant fixed part of remuneration), encourages Members of the Management Board to undertake well-thought-out actions resulting in the achievement by the Company and/or the Group of better and better economic effects, while ensuring the stability of its operations in the long run.
3. The establishment of a fixed lump-sum remuneration for Supervisory Board Members shall guarantee the stable functioning of the Board as a supervisory body, where its Members, without being directly dependent on the financial result, shall supervise the current operations of the Company and the activities of the Management Board and its Members with due care and without unnecessary risks.

**VII. AUTHORIZATION FOR THE SUPERVISORY BOARD**

1. The General Meeting shall authorise the Supervisory Board to determine in more detail the elements of the Policy, referred to in Point III REMUNERATION OF THE MANAGEMENT

BOARD MEMBERS, including, in particular, the determination of the variable part of the cash remuneration, and changing the amount of this remuneration in line with the financial results of the entire Company and/or the Capital Group.

2. On the basis of this authorisation, the Supervisory Board may also decide to adopt detailed remuneration regulations for Members of the Management Board.
3. If the event of a risk to the financial stability of the Company and the inability to guarantee its profitability and financial liquidity, the Supervisory Board may temporarily suspend the application of the Policy, in whole or in part, adopting an appropriate resolution. The suspension of the application of the Policy may not exceed twelve months.

### **VIII. REMUNERATION REPORTS**

1. The Supervisory Board shall prepare an annual remuneration report presenting a comprehensive overview of remuneration, including all benefits, regardless of their form, received by Members of the Management Board and Supervisory Board or due to Members of the Management Board and Supervisory Board in the last financial year, in accordance with the Remuneration Policy.
2. The Supervisory Board shall prepare the first remuneration report on an aggregated basis for the financial years: (i) from 01/04/2019 to 31/03/2020 and (ii) from 01/04/2020 to 31/03/2021.
3. The Supervisory Board Members shall be responsible for the information presented in the remuneration report.
4. The remuneration report shall contain all the elements referred to in Article 90g paragraph 2 of the Act on Public Offering.

### **IX. RESOLUTION OF CONFLICTS**

1. Any conflict of interest with regard to issues regulated by the Remuneration Policy shall be prevented by the division of powers when determining the amount of remuneration for Members of the Management Board and Members of the Supervisory Board, provided for in Article 378 and Article 392 of the Code of Commercial Companies, consistently introduced to the Policy, subject to the following provisions: point II.A.7.; point II.C.4; point II.D.4; point II.D.9.; point III.3; point III.7-8; IV and point VII of this Remuneration Policy.
2. If any Member of the Management Board or Supervisory Board identifies a likelihood of a conflict of interest relating to him with regard to issues regulated by the Policy, the Member shall notify the Chairman of the Supervisory Board (in the case of Management Board Members) or the President of the Management Board (in the case of Supervisory Board Members).
3. If the notification referred to in paragraph 2 above is received, the Supervisory Board shall initiate a procedure for resolving a reported conflict of interest, also by initiating a procedure

to amend or update the Remuneration Policy, in order to eliminate or prevent the identified conflict of interest from arising in the future.

4. The Supervisory Board shall supervise the implementation of the Policy on an ongoing basis.
5. The Supervisory Board, while preparing its annual report, shall also make a comprehensive review the Policy in order to eliminate any situations conducive to a conflict of interest.
6. If the Company adopts the regulations for managing a conflict of interest, these regulations should also contain provisions allowing for the avoidance and resolution of conflicts of interest arising in connection with the functioning of the Remuneration Policy.

#### **X. DESCRIPTION OF THE DECISION-MAKING PROCESS CARRIED OUT TO ESTABLISH, IMPLEMENT AND REVIEW THE POLICY**

1. The Remuneration Policy, as an act of the Company's internal legislation, was prepared in the process of creating such legislation, which is standard for the Company, i.e. with the participation of the legal advisor and the Management Board of the Company. The draft Remuneration Policy was presented for review to the Supervisory Board Members and the Company's shareholders with significant blocks of shares. In the decision-making process aimed at establishing the Policy, commonly known opinions and positions on the rules governing the remuneration for management boards and supervisory boards of listed companies were taken into account. The remuneration rules and the structure of remuneration of corporate bodies in companies operating in the same sector were analysed. For Members of the Management Board, the incentive nature of this remuneration and the division into fixed and variable remuneration were taken into account. The final decision on the Policy was made by the General Meeting.
2. The Management Board is responsible for implementing, updating and amending the Remuneration Policy. The Remuneration Policy shall be reviewed by the Management Board at least once a year. In particular, the review should be carried out in terms of the functioning of the Policy in accordance with its objectives and compliance of the Policy with Polish law, European regulations, market practices and recommendations of supervisory authorities.
3. The Management Board shall provide the Supervisory Board with data from the review of the Policy, and with other data necessary to prepare the remuneration report on the terms and within the period stipulated by generally applicable law.
4. The Supervisory Board shall exercise general supervision over the Policy and prepare the remuneration report in accordance with the rules stipulated by generally applicable law. The Supervisory Board shall submit to the Management Board recommendations regarding the application of or amendment to the Policy, if any.

#### **XI. EFFECTIVE TERM OF THE REMUNERATION POLICY**

1. The provisions of this Policy shall enter into effect as at the date of adoption of the Remuneration Policy by a resolution of the General Meeting.

2. The existing rules shall apply to the determination, calculation and payment of the variable part of the remuneration of Management Board Members for the financial year beginning on 01/04/2019 and ending on 31/03/2020, determined by resolutions of the Supervisory Board adopted before the effective date of this Policy, unless the Supervisory Board finds them inconsistent with the basic rules of the currently applicable Remuneration Policy, taking into account the rules of acquired rights of Management Board Members.
3. The remuneration of Members of the Supervisory Board shall be determined by a resolution of the General Meeting adopted after the adoption of this Remuneration Policy.