

# POLICY TEMPLATE

## *Procedures and Rules for Profit Distribution and Safeguarding the Social Mission*



**Simpact 2.0. ASI Simpac Ventures  
spółka z ograniczoną odpowiedzialnością S.K.A.**

The template below has been prepared specifically for use by Simpac Ventures portfolio companies. The template should be adapted to the specific company's situation. It should be remembered that it is merely a proposal containing the purpose and scope of the policy or procedure considered by Simpac Ventures to be appropriate and minimal. Any extensions or changes resulting from jurisdiction, internal organization or other procedures in force in the company should consider the overarching goals of the specific policy or procedure.

## Procedures and Rules for Profit Distribution and Safeguarding the Social Mission

### 1. Commitment to the Social Mission

- The company is committed to ensuring that its Social Mission, as defined in its articles of association, statutes or with any other legal document, is a guiding principle for all business operations, including profit distribution.
- The Social Mission will be regularly reviewed and integrated into all strategic decisions, including the allocation of profits to dividends and reinvestments.

### 2. Social Impact First Approach

- **Social Mission based on Business Model:** The Social Mission and social objectives of the Company are directly linked to its business model. With the development of the Company, its products, services, targeted markets etc. the social impact of the Company is intended to develop and expand alongside.
- **Profit Distribution Policy:** The payment of dividends besides other matters like - eg. positive cashflows, profits etc - will always take into account the company's ability to meet its Social Mission. Before deciding on dividend payouts, the Company will assess whether sufficient resources have been allocated to further the development and growth of the business and alongside its Social Mission and ensure that the payment of dividends does not limit the Company's ability to pursue its social goals.
- **Annual Planning Process:** The Company's financial planning will integrate both financial and social impact objectives. The planning process will ensure that the resources required to achieve the Social Mission are secured and balanced with the Company's financial health and the possible capacity to distribute dividends.

### 3. Social Mission Accountability Mechanisms

- **Management Review:** The board of directors/management board will have primary responsibility for evaluating whether the Company's financial activities, including profit distributions, align with its Social Mission. Before any decision regarding dividend payouts is made, the board will assess the Company's social impact performance based on pre-established Social Impact KPIs to assess whether key objectives (Social KPIs) related to the Social Mission have been achieved or are on track to be achieved.
- **General Meeting of Shareholders Review:** Following the board's evaluation, the general meeting of shareholders will review and discuss the company's social impact report and the board's assessment of how dividend payouts align with the Social Mission. Shareholders will have the opportunity to provide feedback and approve the board's recommendations regarding profit distribution and the balance between financial returns and social impact objectives.

### 4. Transparent Reporting and Communication

- **Social Impact KPIs:** The company will establish clear Social Impact Key Performance Indicators (KPIs) that will be monitored at least annually. These KPIs will provide measurable evidence of the Company's commitment to its Social Mission and ensure that social impact objectives are met. Impact KPIs may be subject to change on the basis indicated in the shareholders agreement, articles of association, statutes or any other legal document governing their amendment.
- **Annual Impact Report:** The company will provide all of the shareholders with an annual report that outlines both its financial performance and its social impact. This report will provide transparency to shareholders, ensuring they understand how the Company is balancing potential dividends with its social mission.
- **Clear Communication to Shareholders:** Shareholders and investors will be informed of how the company's social impact and financial performance are integrated. They will be kept up to date on how the company balances its dual objectives of profit generation and social impact.

Adopted by the Board of Directors on [Adoption Date].

---

[Signatures of the Board]