

PATENTUS S.A.
headquartered in Pszczyna, Górniośląska Street 11

**SUPERVISORY BOARD
OF PATENTUS S.A.
REMUNERATION REPORT
FOR FISCAL YEAR 2019 AND 2020.**

Pszczyna, 19th of March, 2021

I. General information

The present Report of the Supervisory Board of PATENTUS S.A. on remuneration (hereinafter the "Report") is the first report of this type drawn up on the basis of: Art. 90g of the Act of 29th of July, 2005 on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and Public Companies (Journal of Laws of 2005.184.1539 with subsequent amendments) and the Company's Remuneration Policy and covers the fiscal year 2020 (lasting from 1st of January, 2020 to 31st of December, 2020). The Company's Remuneration Policy was adopted at the Annual General Meeting on 29th of June, 2020, by Resolution No. 5.

The Company's Remuneration Policy applies to the remuneration of members of the Management Board and the Supervisory Board, and as regards variable remuneration, it also applies to the Company's Commercial Proxies, however, the decision on awards and bonuses for Commercial Proxies is made by the Management Board of the Company, and the amount of the Variable Remuneration of Commercial Proxies may not exceed the equivalent of 3.5% of the Company's net profit earned in the previous fiscal year.

For most of the period covered by this Report, the provisions of the Remuneration Policy did not apply to the remuneration of the Management Board and Supervisory Board, therefore, pursuant to Art. 90g section 3 of the Act of 29th of July, 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies, information on the remuneration of the Management Board and Supervisory Board for the fiscal year 2019 will be provided on the basis of estimates.

II. Management Board of the Company

Throughout the entire period covered by the Company's Report, the Management Board was composed of:

- 1) JÓZEF DUDA – President of the Management Board
- 2) STANISŁAW DUDA – Vice President of the Management Board

III. Supervisory Board of the Company

During the period covered by the Report, the Supervisory Board was composed of:

- 1) BARTŁOMIEJ NIEMIEC* - Chairman of the Supervisory Board
- 2) WIESŁAW WASZKIELEWICZ* - Chairman of the Supervisory Board
- 3) ŁUKASZ DUDA - Deputy Chairman of the Supervisory Board
- 4) JAKUB SZYMCZAK - Secretary of the Supervisory Board
- 5) ANNA GOTZ - Member of the Supervisory Board
- 6) EDYTA GŁOMBEK - Member of the Supervisory Board

* The composition of the Supervisory Board has been subject to changes due to the resignation of Mr. Bartłomiej Niemiec from the position of a Member of the Supervisory Board submitted on 8th of October, 2019. On 5th of November, 2019, the Extraordinary General Meeting of the Company adopted

Resolution No. 5 - appointing Mr. Wiesław Waszkielewicz to act as a member of the Supervisory Board of PATENTUS S.A. for the current term of office started on 27th of April 2017.

IV. Commercial Proxies of the Company

Throughout the entire period covered by the Report, the Company's Commercial Proxies were:

- 1) MAŁGORZTA BARBARA DUDA
- 2) MAŁGORZTA ELŻBIETA DUDA

V. Total remuneration amount of the members of the Management Board and the Supervisory Board, divided by components, and the mutual proportions between these remuneration components:

The only mandatory and fixed part of the remuneration paid to members of the Management Board is Fixed Remuneration. Additional remuneration remains in the following proportion with the basic remuneration:

Members of the Management Board	Position/Function	Type of remuneration	Period from 1st January 2020 to 31st December 2020	Period from 1st January 2019 to 31st December 2019
Duda Józef	President of the Management Board – shareholder	remuneration from employment	0	210
		remuneration for performing the function	480	240
		Bonuses and rewards for performin the function	500	612
Duda Stanisław	Vice President of the Management Board	remuneration from employment	0	210
		remuneration for performing the function	480	240
		Bonuses and rewards for performin the function	500	612
Total remuneration for the Management Board			0	420
Remuneration for performing the function			960	480
Bonuses and rewards for performing the function (Management Board)			1 000	1 224

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Remuneration of the Supervisory Board of the Company is presented in the table below:

Supervisory Board Data in thous. of PLN	Position/Function	Type of benefit	Period from 1 st January 2020 to 31 st December 2020	Period from 1 st January 2019 to 31 st December 2019
Niemiec Bartłomiej	Chairman of Supervisory Board til 4 th of November 2019	remuneration for serving as Supervisory Board member	0	4
		other benefits	0	0
Waszkielewicz Wiesław	Chairman of Supervisory Board from 5 th of November 2019	remuneration for serving as Supervisory Board member	16	1
		other benefits	0	0
Gotz Anna	member of the Supervisory Board	remuneration for serving as Supervisory Board member	16	5
		other benefits	0	0
		remuneration from the employment – assistant in the sales department	79	82
Duda Łukasz	member of the Supervisory Board	remuneration for serving as Supervisory Board member	16	5
		remuneration from the employment	49	4
Szymczak Jakub	member of the Supervisory Board	remuneration for serving as Supervisory Board member	16	5
Edyta Głombek	member of the Supervisory Board	remuneration for serving as Supervisory Board member	16	5
Total remuneration for serving as Supervisory Board member			80	25
Total remuneration under the employment contract			128	86

VI. Explanation of how the total remuneration complies with the adopted remuneration policy, including how it contributes to the achievement of long-term results of the company:

In accordance with the Remuneration Policy of PATENTUS S.A. remuneration paid to members of the Management Board includes:

- a) "Fixed Remuneration" in the form of a lump sum, which is a monthly cash remuneration paid for the function performed.
- b) "Variable Remuneration", i.e. awards or bonuses that are awarded on a discretionary basis.

Each member of the Management Board of the Company may receive a variable remuneration, depending on the financial results of the Company. The detailed principles of establishing, calculating and paying variable remuneration are defined by the Supervisory Board annually in a resolution. The amounts of the variable remuneration are set gross. The amount of the Variable Remuneration may not exceed in total the equivalent of 10% of the Company's net profit earned in the previous fiscal year.

Fixed Remuneration is the only, obligatory and permanent part of remuneration paid to members of the Management Board.

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A person appointed to the Management Board receives remuneration on the basis of the appointment to perform the function and for the period of performing the function in the Management Board.

In accordance with the Articles of Association of PATENTUS S.A. and the Remuneration Policy, the remuneration of members of the Management Board is determined by the Supervisory Board.

By resolution, the Supervisory Board established a monthly lump sum for the person holding the position of the President of the Management Board of PATENTUS S.A. and the function of the Vice President of the Management Board of PATENTUS S.A. in the amount of: PLN 40,000.00 gross.

Throughout the period covered by the report, the Supervisory Board, by Resolution No. 1 of 27th of May, 2019, made company cars available to Members of the Management Board for private use. For the use of the vehicles made available for private purposes, Members of the Management Board are obliged to pay a monthly fee to PATENTUS SA. The fee was calculated on the basis of the statement of the Member of the Management Board indicating the kilometers traveled in the given month, applying the provisions of the Regulation of the Minister of Labor and Social Policy of 29th of January, 2013 on receivables due to an employee employed in a state or local government budgetary unit for a business trip (Journal of Laws 2013, item 167).

In accordance with Resolution No. 6 of the Annual General Meeting of the Company of 29th of June, 2020 regarding the Variable Remuneration Fund for Members of the Management Board and Commercial Proxies of the Company and Resolution No. 10 on the allocation of net profit for the fiscal year 2019 Supervisory Board with the Resolution no. 1 of the 6th of July, 2020 established in the period covered by the report, an annual bonus for the function of the President of the Management Board and the Vice-President of the Management Board for the financial result obtained by the Company in 2019 in the amount of PLN 500,000.00 for the President of the Management Board and in the amount of PLN 500,000.00 for the Vice-President of the Management Board. The bonus for the Members of the Management Board was paid by 14th of July, 2020.

Remuneration of the members of the Management Board and the Supervisory Board was determined in accordance with the Remuneration Policy, in a manner intended to contribute to the implementation of the business strategy, long-term interests as well as the stability of the Company and its development.

The remuneration of each Management Board Member paid in the years 2019-2020 includes the workload necessary for the proper performance of the functions of the Management Board Member, the scope of duties and responsibilities related to the performance of the function of the Management Board member, size of the enterprise, financial result, and the amount of remuneration paid by other entities operating on the market.

In accordance with the Resolution No. 1 of the Supervisory Board of the Company meeting of 8th of April, 2019 regarding the establishment of the amount of the annual bonus, it awarded the Members of the Management Board with an annual bonus for performing the function of the President of the Management Board and the Vicepresident of the Management Board in the amount of 4% of the net profit generated by the Company in the given fiscal year. Pursuant to this resolution, the first annual bonus was paid for 2018.

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In accordance with the Resolution No. 1 of the Supervisory Board of the Company meeting of 27th of November, 2019 regarding: granting a one-time bonus for the financial result achieved by the Company in Q3 2019, it granted a one-time bonus to the Management Board in the amount of PLN 200,000 net for each member of the Management Board, which was by 31st of November, 2019, transferred to the bank accounts of Members of the Management Board.

In accordance with the Resolution no. 6 of the Annual General Meeting of the Company of 29th of June, 2020 regarding: the Variable Remuneration Fund of Members of the Management Board and Commercial Proxies of the Company and the resolution no. 10 of the Annual General Meeting of 29th of July, 2020 regarding: the allocation of Company's net profit for the fiscal year 2019 along with the established during the above-mentioned Annual General Meeting Remuneration Policy for Members of the Management Board and Supervisory Board of PATENTUS S.A. the Management Board awarded the Company's Commercial Proxies with the bonus in the amount of PLN 250,000 gross for each of the Commercial Proxies, i.e. a total of PLN 500,000 gross, for the profit achieved in the fiscal year 2019. The bonus for the Commercial Proxies was paid by 14th of July, 2020.

Fixed and variable remuneration included the motivation system to improve the quality and efficiency of work of a Management Board member.

VII. Information on the performance criteria application method:

In the period covered by the report, the Company achieved a net profit of:

1. in the financial year 2019 - PLN 14 480 thous.
2. in the financial year 2020 - PLN 776 thous.

The company achieved its goal. The company's goal was to achieve a profit in the given fiscal year. In 2019, it was achieved at a fairly high level, thanks to the volume of commercial transactions concluded by the Company. In 2020, the Company, despite the difficulties resulting from the prevailing COVID-19 epidemic, also achieved a minimal profit.

With reference to the above, the Supervisory Board considered it justified to establish in the period covered by the report the annual bonus for the performance of the President of the Management Board function and the Vice President of the Management Board function in the amounts indicated in point VI of this Report.

The amount of the Variable Remuneration was determined in reference to the provisions of the Remuneration policy, according to which its amount may not exceed the total of the equivalent of 10% of the Company's net profit earned in the previous fiscal year.

VIII. Information on the annual change in the remuneration, company's results and the average remuneration of employees of this company who are not members of the management board or the supervisory board, over the period of at least the last five fiscal years, in total, in a manner that allows for comparison.

year	company results (negative loss)	remuneration of PATENTUS S.A.	Management Board remuneration (function performance)	Supervisory Board remuneration	employees remuneration (3-4-5)	average employees remuneration (monthly)*	employment
1	2	3	4	5	6	7	8
2020	777	6 873	3 060	208	3 605	2,73	110
2019	14 480	8 557	3 286	111	5 160	4,02	107
2018	8 203	5 894	1 162	86	4 646	3,65	106
2017	1 697	4 971	1 075	85	3 811	3,08	103
2016	-15 666	6 124	1 045	65	5 014	4,22	99

*excluding the members of the Management Board and the Supervisory board

IX. The remuneration amount from entities belonging to the same capital group within the meaning of the Act of 29th of September, 1994 on accounting (Journal of Laws of 2019, item 351, 1495, 1571, 1655 and 1680 and of 2020, item 568):

The remuneration amount from entities belonging to the PATENTUS S.A. capital group in the period covered by the report was, respectively:

1. Remuneration of the ZKS MONTEX Sp. z o.o. Members:

Key Management Personnel Data in thousands of PLN	Position/Function	Type of benefit	Period from 1 st January 2020 to 31 st December 2020	Period from 1 st January 2019 to 31 st December 2019
Sławomir Ćwieląg	President of the Management Board	remuneration for performing the function	84	84
		remuneration from employment	68	72
		Annual bonus 4% from net profit	6	16

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2. Remuneration of the ZKS MONTEX Sp. z o.o . Supervisory Board Members:

Key Management Personnel Data in thous. of PLN	Position/Function	Type of benefit	Period from 1 st January 2020 to 31 st December 2020	Period from 1 st January 2019 to 31 st December 2019
Łukasz Duda	Chairman of Supervisory Board	remuneration for serving as Supervisory Board member	12	12
Jakub Szymczak	member of the Supervisory Board	remuneration for serving as Supervisory Board member	12	12
Tomasz Duda	member of the Supervisory Board	remuneration for serving as Supervisory Board member	12	12
Total remuneration for serving as Supervisory Board member			80	25

X. Number of granted or offered financial instruments and the main conditions for the exercise of rights from these instruments, including the price and exercise date and their changes:

Throughout the reporting period, the Company did not grant or offer any financial instruments to members of the Management Board or members of the Supervisory Board.

XI. Information on the use of the option to request a refund of variable remuneration components:

The company did not use the option to request the refund of variable remuneration components from members of the Management Board. The Company's Remuneration Policy does not provide for variable remuneration components for members of the Supervisory Board.

XII. Information on deviations from the procedure of the remuneration policy implementation and deviations applied pursuant to Art. 90f, including an explanation of the premises and procedure, along with the indication of the elements from which the deviations were applied:

Throughout the period covered by the report, the Company did not depart from the procedure of implementing the adopted Remuneration Policy. The Remuneration Policy was prepared and adopted within the time limit resulting from the relevant legal regulations. Throughout the period covered by the Report, there were no circumstances justifying the Supervisory Board's decision to temporarily withdraw from the application of the remuneration policy, in particular, it was not necessary to pursue long-term interests and financial stability of the company or to guarantee its profitability.

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- XIII. The remuneration of the members of the Management Board and the Supervisory Board did not include cash or non-cash benefits granted to the relatives of the members of the Management Board and Supervisory Board.**
- XIV. The present Report will be given an opinion in the form of a resolution of the Annual General Meeting of the Company approving the statements for the fiscal year 2020.**
- XV. With reference to the fact that this Report is the first document of this type, it does not include the resolution on the opinion of the Annual General Meeting of the Company regarding the previous remuneration report. The report for the next fiscal year will include relevant information regarding the resolution of the Annual General Meeting of the Company regarding the Report for the years 2019-2020.**
- XVI. The report will be posted on the company's website and will be made available free of charge for at least 10 years from the end of the Annual General Meeting at which the resolution on this report will be adopted.**
- XVII. The report will be reviewed by a statutory auditor in terms of including the information required by Art. 90g, § 1-5 and 8 of the Act of 29th of July 2005 on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and Public Companies.**

Signatures of Members of the Supervisory Board.

Chairman of the Supervisory Board

Deputy Chairman of the Supervisory Board

Member of the Supervisory Board

Member of the Supervisory Board

Secretary of the Supervisory Board