

PATENTUS S.A.
with its registered office in Pszczyna, Górnośląska St. 11

**SUPERVISORY BOARD
OF PATENTUS S.A.
REMUNERATION REPORT
FOR FISCAL YEAR 2021.**

Pszczyna, 18th March 2022

I. General information

This Report of PATENTUS S.A. Supervisory Board on remuneration (hereinafter the "Report") is the subsequent report of this type compiled on the basis of: Art. 90g of the Act of 29th July 2005 on Public Offering and Conditions Governing the Introduction of 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 2021 (lasting from 1st January 2021 to 31st December 2021). The Company's Remuneration Policy was adopted at the Annual General Meeting on 29th June 2020, by Resolution No. 5.

The Company's Remuneration Policy applies to the remuneration of the Management Board and the Supervisory Board members, and as it 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 Company's Management Board, 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 Remuneration Policy provisions 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 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) WIESŁAW WASZKIELEWICZ* - Chairman of the Supervisory Board
- 2) ŁUKASZ DUDA - Deputy Chairman of the Supervisory Board
- 3) JAKUB SZYMCZAK - Secretary of the Supervisory Board
- 4) ANNA GOTZ - Member of the Supervisory Board
- 5) EDYTA GŁOMBEK - Member of the Supervisory Board

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

| Commercial Proxies Data in PLN thousand | Position/Function | Type of remuneration | Period from 1 st January 2021 to 31 st December 2021 | Period from 1 st January 2020 to 31 st December 2020 |
|---|--------------------------------------|--|--|--|
| Duda Małgorzata / Wiktor/ | Commercial Proxy Shareholder | remuneration from employment | | 0 |
| | | remuneration for performance of function | 326 | 300 |
| | | Bonuses and rewards for performance of function | 17 | 250 |
| Duda Małgorzata / Wąs/ | Chief Finance Officer Shareholder | remuneration from employment | | 0 |
| | | remuneration for performance of function | 326 | 300 |
| | | Bonuses and rewards for performance of function | 17 | 250 |
| Remuneration for performance of function | | | 652 | 600 |
| Bonuses and rewards for performance of function (Key Management Personnel) | | | 34 | 500 |

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

The only mandatory and permanent part of the remuneration paid the Management Board members 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 1 st January 2021 to 31 st December 2021 | Period from 1 st January 2020 to 31 st December 2020 |
|---|---|--|--|--|
| Duda Józef | President of the Management Board – shareholder | remuneration from employment | | 0 |
| | | remuneration for performance of function | 521 | 480 |
| | | Bonuses and rewards for performance of function | 35 | 500 |
| Duda Stanisław | Vice President of the Management Board | remuneration from employment | | 0 |
| | | remuneration for performance of function | 521 | 480 |
| | | Bonuses and rewards for performance of function | 35 | 500 |
| Total remuneration for the Management Board | | | 0 | 0 |
| Remuneration for performance of function | | | 1 042 | 960 |
| Bonuses and rewards for performance of function (Management Board) | | | 70 | 1 000 |

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

| Supervisory Board Data in PLN thousand | Position/Function | Type of benefit | Period from 1 st January 2021 to 31 st December 2021 | Period from 1 st January 2020 to 31 st December 2020 |
|---|---|---|--|--|
| Waszkielewicz Wiesław | Chairman of Supervisory Board from 5 th November 2019 | remuneration for serving as Supervisory Board member | 16 | 16 |
| | | other benefits | | 0 |
| Gotz Anna | member of the Supervisory Board | remuneration for serving as Supervisory Board member | 16 | 16 |
| | | other benefits | | 0 |
| | | remuneration from the employment – assistant in the sales department | 84 | 79 |
| Duda Łukasz | member of the Supervisory Board | remuneration for serving as Supervisory Board member | 16 | 16 |
| | | remuneration from the employment | 71 | 49 |
| Szymczak Jakub | member of the Supervisory Board | remuneration for serving as Supervisory Board member | 16 | 16 |
| Edyta Głombek | member of the Supervisory Board | remuneration for serving as Supervisory Board member | 16 | 16 |
| Total remuneration for serving as Supervisory Board member | | | 80 | 80 |
| Total remuneration under the employment contract | | | 155 | 128 |

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 the Management Board members 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 Company's Management Board may receive a variable remuneration, depending on the Company's financial results. Detailed principles of establishment, calculation and payment of 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 the Management Board members.

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 PATENTUS S.A. Articles of Association and the Remuneration Policy, the remuneration of the Management Board members 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.

The Supervisory Board, by Resolution No. 1 of 27th May 2019, made company cars available to Management Board members for private use. For the use of the vehicles made available for private purposes, the Management Board members are obliged to pay a monthly fee to PATENTUS SA. The fee was calculated on the basis of the Management Board member statement, indicating the kilometers traveled in the given month, applying the provisions of the Regulation of the Minister of Labor and Social Policy of 29th 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).

Pursuant to Resolution No. 6 of the Annual General Meeting of the Company of 11th June 2021 on the allocation of net profit for the fiscal year 2020, the Supervisory Board with the Resolution no. 1 of the 16th June 2021 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 achieved by the Company in 2020 in the gross amount of PLN 35 000.00 for the President of the Management Board and in the gross amount of PLN 35 000.00 for the Vice-President of the Management Board. The bonus for the Management Board members was paid by 18th June 2021.

Remuneration of the Management Board and the Supervisory Board members was determined in accordance with the Remuneration Policy, in a manner intended to contribute to the business strategy implementation, long-term interests as well as the stability of the Company and its development. The remuneration of each Management Board Member paid in 2021 included the workload necessary for the proper performance of the Management Board Member function, the scope of duties and responsibilities related to the performance of the Management Board member function, the enterprise size, financial result, and the amount of remuneration paid by other entities operating on the market.

VII. Information on the performance criteria application method:

In the period covered by the report, the Company achieved a net profit/loss in the amount of:

1. in the financial year 2021 - PLN (-5 826) thous.
2. in the financial year 2020 - PLN 776 thous.

The amount of the Variable Remuneration was determined in reference to the Remuneration policy provisions, 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 |
| 2021 | -5 826 | 8 124 | 1 798 | 235 | 6 091 | 4.30 | 118 |
| 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 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 PLN thousand | Position / Function | Type of benefit | Period from 1 st January 2021 to 31 st December 2021 | Period from 1 st January 2020 to 31 st December 2020 |
|---|-----------------------------------|--|--|--|
| Sławomir Ćwieląg | President of the Management Board | remuneration for performance of function | 84 | 84 |
| | | remuneration from employment | 72 | 68 |
| | | Annual bonus 4% from net profit | 6 | 0 |

SUPERVISORY BOARD OF PATENTUS S.A. REMUNERATION REPORT FOR FISCAL YEAR 2021.

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

| Supervisory Board Data in PLN thousand | Position/Function | Type of benefit | Period from 1 st January 2021 to 31 st December 2021 | Period from 1 st January 2020 to 31 st December 2020 |
|---|---------------------------------|--|--|--|
| Lukasz 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 | | | 36 | 36 |

X. Number of financial instruments granted or offered 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 the Management Board or the Supervisory Board members.

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 the Management Board members. The Company's Remuneration Policy does not provide for variable remuneration components for the Supervisory Board members.

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.

XIII. The remuneration of the Management Board and the Supervisory Board members did not include cash or non-cash benefits granted to the relatives of the Management Board and Supervisory Board members.

- XIV. This Report will be assessed in the form of a resolution of the Annual General Meeting of the Company approving the statements for the fiscal year 2021.**
- XV. The General Meeting on 11th June 2021, with regard to assessment of the Supervisory Board report on the remuneration of the Management Board and Supervisory Board members and the evaluation of this document in the scope specified by law by a senior auditor, by Resolution No. 18 on the assessment of the Supervisory Board Report on the remuneration of the PATENTUS S.A. Management Board and Supervisory Board members for the years 2019-2020, expressed a positive opinion on the Supervisory Board's report on the remuneration of the Management Board and Supervisory Board members for the 2019-2020 fiscal years.**

Pursuant to Art. 90 g sec. 1 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and on Public Companies (the "Act"), the Company's Supervisory Board prepares an annual remuneration report presenting a comprehensive review of remuneration, including all benefits, regardless of their form, received by individual management board and supervisory board members or due to individual management board and supervisory board members in the fiscal year, in accordance with the remuneration policy. Pursuant to art. 395 § 2¹ of the Commercial Companies Code - the Annual General Meeting should adopt the resolution referred to in Art. 90g sec. 6 of this Act, i.e. a resolution on the assessment of the Supervisory Board report on the remuneration of the Management Board and the Supervisory Board members. Moreover, pursuant to Article 36 sec. 2 of the Act of 16th October 2019 amending the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading, and on Public Companies and pursuant to certain other Acts, the company's supervisory board for the first time prepares a remuneration report referred to in Art. 90g of the Act on Public Offering, for 2019-2020 in total. Adoption of the resolution in question by the General Meeting will fulfill the obligation specified in Art. 395 §2¹ of the Commercial Companies Code. The remuneration report was assessed by a statutory auditor in terms of disclosure of information required under the Act. Pursuant to Art. 90 g sec. 6 of the Act on Public Offering, the aforementioned resolution of the Annual General Meeting is of an advisory nature.

- XVI. This report will be published 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. This report will be reviewed by a statutory auditor in terms of disclosure of information required by Art. 90g, sec. 1-5 and 8 of the Act of 29th July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading, and on 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 -.....