

PATENTUS S.A.

headquartered in Pszczyna, street Górnośląska 11

**REPORT ON THE ACTIVITIES OF THE
SUPERVISORY BOARD OF PATENTUS S.A.
FOR THE PERIOD FROM
1st JANUARY 2019 to 31st DECEMBER 2019**

Pszczyna, 19th March 2020

1. Information concerning Supervisory Board's term of office in the year 2019, its composition, functions performed in the Board, changes in the composition of the Board during the financial year.

Supervisory Board as a Company body acts on the basis of:

- Commercial Companies Code,
- Company's Articles of Association,
- By-laws of the Supervisory Board of the Company,
- other legislation governing the operation of public/listed companies.

As for 31st December 2019, 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 | - | Vice 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 changed due to the submission on 8th October 2019 of resignation from the position of Member of the Management Board by Mr. Bartłomiej Niemiec. On 5th November 2019 the Ordinary General Meeting of the Company adopted Resolution No. 5 - appointing the Supervisory Board for a new term from 27th April 2019 Mr. Wiesław Waszkielewicz to the Member of the Supervisory Board.

The above-mentioned resolutions came into force upon their adoption.

2. Information on the number of meetings held by the Supervisory Board and the number of resolutions adopted.

During the reporting period, Supervisory Board held four meetings (on 11th March 2019, 4th April 2019, 8th April 2019, 27th May 2019, 5th November 2019 and 27th November 2019) and adopted a total of 11 resolutions on matters arising from its duties, imposed by Company's Articles of Association, Company's By-laws and applicable provisions of law.

3. Information about the presence of the Supervisory Board members at the meetings and adopted resolutions on absence justification.

All meetings of the Company's Supervisory Board in 2019 were held in full composition.

4. Summary of resolutions adopted by the Supervisory Board during the reporting period.

No	Date of the resolution	Content of the resolutions
1	11 th March 2019	Resolution No. 1 - on the assessment of the functioning of systems monitoring the situation of Patentus S.A.
2	4 th April 2019	Resolution No 1 - assessment of the annual financial statement for 2018 and report of the Management Board on operations of the Company for the period from 1 st January 2018 to 31 st December 2018
3	4 th April 2019	Resolution No 2 - expressing the opinion on the proposal of the Management Board concerning the distribution of net profit for 2018
4	4 th April 2019	Resolution No 3 - evaluation of Management Board activities in 2018
5	4 th April 2019	Resolution No 4 - assessment of the annual consolidated financial statements for 2018 and report of the Management Board on operations of the Capital Group for the period from 1 st January 2018 to 31 st December 2018
6	4 th April 2019	Resolution No 5 - adoption of the Report of the Supervisory Board for 2018
7	8 th April 2019	Resolution No 1 - regarding the establishment of an annual award for holding the office of the President and Vice-President of the Management Board in a given accounting year
8	27 th May 2019	Resolution No 1 - regarding the termination of employment relationships with persons holding the positions of the President and Vice President of the Management Board, establishing a monthly lump sum for performing the functions of the President and Vice President of the Management Board.
9	5 th November 2019	Resolution No. 1 - regarding the election of the Chairman of the Supervisory Board.
10	19 th November 2018	Resolution No 1 - Resolution No. 2 - on supplementing the composition of the Audit Committee.
11	19 th November 2018	Resolution no. 2 - Resolution No. 1 - on granting a bonus to members of the Management Board for the financial result obtained by the Company in the III quarter.

5. Significant issues addressed by the Supervisory Board during the reporting period.

During the reporting period, Supervisory Board performed constant supervision over the activities of the Company in all areas of its operations. Pursuant to its powers, the Supervisory Board analyzed the financial performance of the Company and evaluated its business and economic situation.

In accordance with Company's Articles of Association, the Supervisory Board has:

- evaluated Company's financial statement and Management Board's report on operations in respect of their compliance with the books and documents, and reviewed the Management Board's proposal on the distribution of profits,
- evaluated financial statements of the Capital Group and Management Board's report on operations of the Capital Group in respect of their compliance with the books and documents,

- briefly evaluated Company's situation and their own work, and submitted the Report on the activities of the Supervisory Board for 2017 to the General Assembly.

In accordance with the Code of Best Practice for WSE Listed Companies, Members of the Supervisory Board:

- have the required knowledge and experience and are able to devote the time necessary to perform their duties,
- should act in the interests of the Company and form independent decisions and judgments,
- are aware of the responsibility to notify about any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest,
- should not resign from their function if this action could have a negative impact on the Supervisory Board's capacity to act, including the adoption of resolutions by the Supervisory Board.

As indicated above, Supervisory Board of the Company acted in a proper manner.

6. Information on the implementation of resolutions of the General Assembly relating to the activities of the Supervisory Board.

During 2019, the Annual General Meeting did not adopt any resolutions necessary for the Supervisory Board's implementation.

7. Suspensions from duties, imposed by the Supervisory Board members on the Management Board members and delegating Supervisory Board members to serve as the Management Board members.

In the fiscal year 2019, the Supervisory Board did not suspend any Management Board member from his or her duties and it did not delegate any Supervisory Board members to serve as the Management Board members.

8. Information about the decisions of the Supervisory Board regarding the appointment of the senior auditor.

The Supervisory Board, acting on the basis of §16 point 8 of the Statute of the Company and after recommendation of the Audit Committee of the Supervisory Board of PATENTUS SA which is free from the influence of third parties and the contract will not contain prohibited articles 66 of Act 5a of the Act of 29 September 1994 on accounting clauses, selects the Company: Service "Book-Keeper" Kancelaria Biegłych Rewidentów Sp. z o.o. with headquarters in Bielsko-Biała as proper to:

1) preparation of reports on unit reviews and consolidated reports for the periods from 1st January 2019 to 30th September 2019 and from 1st January 2020 to 30th June 2020 prepared in accordance with the requirements of the Act of 11th May 2017 on auditors, National Standards on Auditing issued by the National Council Chartered Accountants;

2) detailed presentation and discussion with the management or representatives of research results and conclusions resulting from them;

3) preparation a statements from the research of individual and consolidated financial statements for the periods from 1st January 2019 to 31st December 2019 and from 1st January 2020 to 31st December 2020 prepared in accordance with the requirements of the Act of 11th May 2017 on auditors, National Standards on Auditing issued by the National Council Chartered Accountants;

4) detailed presentation and discussion with management or representatives of research results and conclusions resulting from them.

Signatures of the Supervisory Board Members:

Chairman of the Supervisory Board

Vice Chairman of the Supervisory Board

Member of the Supervisory Board

Member of the Supervisory Board

Secretary of the Supervisory Board