



**ANNUAL REPORT OF THE SUPERVISORY BOARD  
ON THE REMUNERATION**

**April 2021**

**TALEX<sup>®</sup>** S.A.

The policy of remuneration for Members of the Management Board and the Supervisory Board of Talex S.A. with its registered office in Poznan was implemented by means of a resolution adopted at the General Meeting of Shareholders dated 9 June 2020. The content and scope of the remuneration policy correspond to the requirements set out in the Act on Public Offering (...) of July 29, 2005 (Journal of Laws of 2020, item 2080).

The amount of the remuneration for the members of the Company's governing bodies shall be determined on the basis on resolutions in accordance with the competences defined in the Company's Articles of Association, i.e. :

- a. for Members of the Supervisory Board - by the General Meeting of Shareholders,
- b. for Members of the Management Board - by the Supervisory Board.

Members of the Company's governing bodies may not receive any other remuneration from the Company than those specified in the Policy. The remuneration paid shall not be refundable.

Members of the Company's Supervisory Board are entitled only to fixed remuneration for performing their functions in the Supervisory Board. Members of the Supervisory Board are not entitled to additional remuneration for participating in the committees of the Supervisory Board.

Irrespective of the legal relationship between the Member of the Management Board and the Company, the Members of the Management Board are entitled to fixed and variable remuneration determined by a resolution of the Supervisory Board.

Fixed remuneration is paid on a monthly basis, on the dates of payment of salaries to the Company's employees; variable remuneration is paid no more than four times in a year, on dates specified in a resolution of the Supervisory Board. The total value of variable components of the remunerations paid to all Members of the Management Board in a given calendar year may not exceed 15% of the Company's net profit for the last completed financial year; the variable remuneration is not subject, other than indicated above, to limitations as to its amount and does not remain in any proportion to fixed remuneration.

Members of the Company's Management Board are entitled:

- a) to participate in pension plans operated by the Company, on the terms and conditions applicable to all employees of the Company,
- b) to use the Company's assets on the principles applicable to all employees of the Company taking into account the positions they held in the Company,
- c) to participate in insurance and additional benefits programs (benefits) on the principles applicable to all employees of the Company, taking into account the positions they held in the Company.

**Information on remuneration in the Company in accordance with the Article 90g of the Act on Public Offering (...):****1) the amount of the total remuneration broken down into components:**

## a) Members of the Supervisory Board

President of the Supervisory Board: Bogna Pilarczyk

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	30,000.00	100	30,000.00	100

Member of the Supervisory Board: Witold Hołubowicz

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	24,000.00	100	24,000.00	100

Member of the Supervisory Board: Andrzej Kurc

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	24,000.00	100	24,000.00	100

Member of the Supervisory Board: Jacek Nowak

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	24,000.00	100	24,000.00	100

Member of the Supervisory Board: Małgorzata Poprawska

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	24,000.00	100	24,000.00	100

## a) Members of the Management Board

President of the Management Board: Janusz Goczałek

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	432,000.00	99.65	432,000.00	99.68
bonuses	0.00	0.00	0.00	0.00
contributions to Employee Pension Plan	0.00	0.00	0.00	0.00

health care insurance plan	1,518.00	0.35	1,404.00	0.32
supplementary benefits plans	0.00	0.00	0.00	0.00

## Vice-President of the Management Board: Jacek Klauziński

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	432,000.00	99.6	432,000.00	99.36
bonuses	0.00	0.00	0.00	0.00
contributions to Employee Pension Plan	0.00	0.00	0.00	0.00
health care insurance plan	1,518.00	0.35	1,404.00	0.32
supplementary benefits plans	198.00	0.05	1,391.00	0.32

## Vice-President of the Management Board: Andrzej Rózga

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	432,000.00	99.65	432,000.00	99.68
bonuses	0.00	0.00	0.00	0.00
contributions to Employee Pension Plan	0.00	0.00	0.00	0.00
health care insurance plan	1,518.00	0.35	1,404.00	0.32
supplementary benefits plans	0.00	0.00	0.00	0.00

## Member of the Management Board: Rafał Szalek

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	288,000.00	95.40	284,000.00	57.45
bonuses	0.00	0.00	200,000.00	40.46
contributions to Employee Pension Plan	10,371.16	3.44	6,899.80	1.4
health care insurance plan	1,518.00	0.50	1,404.00	0.28
supplementary benefits plans	2,000.00	0.66	2,000.00	0.4

## Member of the Management Board: Radosław Wesołowski

description	Year 2020		Year 2019	
	PLN	%	PLN	%
fixed remuneration	288,000.00	95.56	28,5220.85	58.62

bonuses	0.00	0.00	200,000.00	40.40
contributions to Employee Pension Plan	10,353.66	3.44	6917.3	1.40
health care insurance plan	1,518.00	0.50	1,404.00	0.28
supplementary benefits plans	1,500.00	0.50	2,000.00	0.30

**2) clarification of how total remuneration complies with the adopted remuneration policy, including how it contributes to the achievement of the company's long-term goals**

The long-standing practice developed in the Company with regard to remuneration of members of the Company's governing bodies has been implemented in the adopted Remuneration Policy. In the area of remuneration for members of the Supervisory Board, the principle of fixed remuneration was adopted in order to ensure that individual members of the Board make objective assessments of the Company's situation, its financial results and the decisions made by the Company's Management Board. Remuneration of the Management Board members is divided into two components, i.e. fixed remuneration and variable remuneration that is dependent on the Company's financial results, relative to the value of net profit for the last completed financial year. The variable component of the remuneration, which is determined by the Company's results, is an important motivation element for the members of the Management Board. The members of the Management Board are also entitled to receive other benefits from the Company, such as a pension plan, a health care plan or other benefit plans, on the same basis as the Company's general employees.

The value of fixed components of remuneration for the Supervisory and Management Board Members does not deviate from market standards for entities in the same industry and size of business.

**1) information on how the performance criteria were applied;**

In accordance with the Company's Remuneration Policy in force, based on the Company's long-standing practice, the components of remuneration dependent on the Company's financial results are bonuses. The Remuneration Policy provides that the value of variable components of remuneration paid to all Members of the Management Board in a given calendar year may not exceed 15% of the Company's net profit for the last completed financial year. The adopted indicator, on the one hand, constitutes a significant element of motivation for the Members of the Management Board and, on the other hand, secures significant financial interests of the Company.

**2) information about the change, on an annual basis, of the remuneration, the Company's results and average remuneration of the Company's employees who are not members of the Management or Supervisory Board, in the period of at least the last five financial years, on an aggregate basis, in a manner allowing for comparison**

Description	In PLN thds				
	2020	2019	2018	2017	2016
Net income from sales of products, goods and materials	96,961	88,814	94,766	107 897	113 037
Profit from operating activities	4,670	2,798	8,342	7 531	6 465

Net profit (loss)	3,622	2,404	6,575	5 731	4 720
Total remuneration of employees (excluding members of the Supervisory Board and the Management Board)	25,740	27,688	25,383	22487	21415
Average remuneration of employees (excluding members of the Supervisory Board and the Management Board)	6.04	5.95	5.83	5.45	5.31

**3) the amount of remuneration from entities belonging to the same capital group within the meaning of the Accounting Act of 29 September 1994**

The Company does not belong to a capital group.

**4) the number of financial instruments granted or offered and the main conditions for exercising rights from these instruments, including the price and the date of execution and changes thereto.**

In the period covered by the review, the Company did not operate any incentive or discretionary scheme with reference to financial instruments.

**5) information on exercising the right to demand return of variable remuneration components;**

Members of the Company's governing bodies are not entitled to claim reimbursement of variable remuneration components.

**6) information on deviations from the procedure for implementing the remuneration policy and deviations applied in accordance with Article 90f, including an explanation of the rationale and procedure, and an indication of the elements from which the deviations were applied**

In the audited period, the Company did not have any of the aforementioned deviations.

**7) information on elements of remuneration of Members of the Management Board and the Supervisory Board related to pecuniary or non-pecuniary benefits granted to persons close to such persons**

No such benefits were granted in the Company.

**Summary:**

Having reviewed the remuneration received by individual Members of the Supervisory Board and the Management Board, the Supervisory Board concludes that its scope and amount is consistent with the Remuneration Policy adopted by the Company and the generally applicable provisions of law. In the opinion of the Supervisory Board, the policy in force in the Company and the manner of its implementation are adequate to the Company's financial situation.

Poznan, April 2021 r.

For the Supervisory Board: