

# Report on the activities of the Supervisory Board of Apator SA for year 2020

General Shareholders Meeting  
Apator SA

Toruń, 29th June 2021



**Presentation contains selected issues from the report of the Supervisory Board of Apator SA for 2020**

Complete content of the report is available since 2nd June 2020 on the website of Apator SA: [www.apator.com](http://www.apator.com)



# Composition of the Supervisory Board

## Composition of SB since 1st January 2020 to 2nd July 2020

- Janusz Niedźwiecki – Chairman (independent)
- Mariusz Lewicki – Deputy
- Janusz Marzygliński – Member
- Danuta Guzowska – Member
- Kazimierz Piotrowski – Member (independent)
- Marcin Murawski – Member

## New tenure of the Supervisory Board since 3rd July 2020

- Janusz Niedźwiecki – Chairman (independent)
- Mariusz Lewicki – Deputy
- Janusz Marzygliński – Member
- Danuta Guzowska – Member
- Kazimierz Piotrowski – Member
- Marcin Murawski – Member (independent)
- Tadeusz Sosgórnik – Member

The current term of office of the Supervisory Board ends on the date of the General Shareholders Meeting in 2025

**In 2020, the Supervisory Board held 29 meetings, during which it took positions on matters on the agenda and adopted 56 resolutions (of which 15 resolution were adopted by means of distance communication).**

During the year to the extraordinary circumstances of the COVID-19 pandemic, and for security reasons Supervisory Board Members were able to participate in meetings by means of distance communication.

# Supervision over the activity of Apator and Apator Group (1)



**The Supervisory Board shall exercise permanent supervision over the Company's operations and the work of the Executive Board through:**

- analysing materials received from the Executive Board at the request of the Board,
- obtaining information and detailed explanations from Members of the Executive Board and other employees of the Company during meetings of the Supervisory Board,
- activities of the Audit Committee,
- activities of the certified auditor who, on behalf of the Supervisory Board, reviewed and audited the financial and accounting documentation and the financial statements prepared on its basis.

**The Supervisory Board's areas of oversight in 2020 included:**

- Following the outbreak of the COVID-19 pandemic, the Board's focus in 2020 was on overseeing the Board's assurance of operational continuity, the preservation of financial liquidity and the measures taken to guarantee safety for employees,
- separate and consolidated financial results, including the analysis of operating costs and the level of assumed provisions for warranty repairs,

# Production (the numer of units)

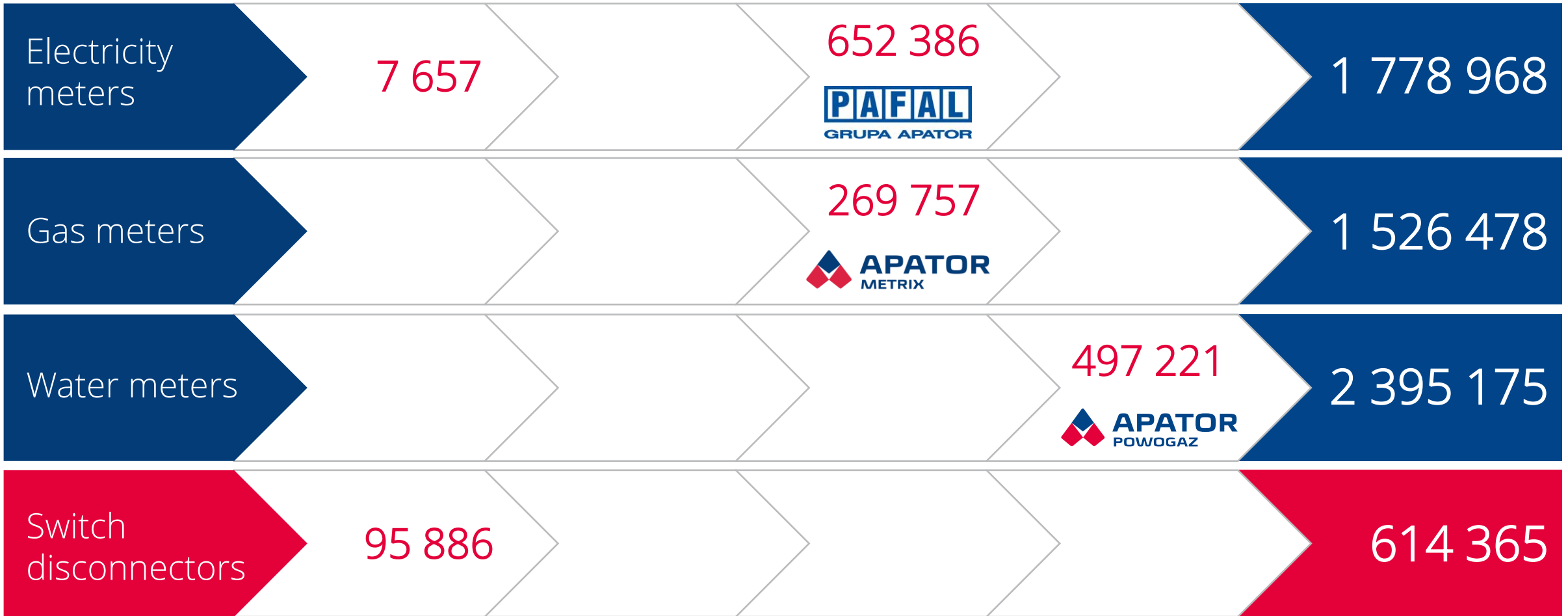
2000

2004

2005

2008

2020



# Supervision over the activity of Apator and Apator Group (2)



## The Supervisory Board's areas of oversight in 2020 included:

- the degree to which financial budgets are implemented,
- current review of the decisions of the Executive Board of Apator SA taken in the form of resolutions,
- expressing the consent to dispose of the right or incurring of liabilities by Apator SA with the value over PLN 20 million (in accordance with the Statute of the Company), in particular expressing the consent to participation of the Company in significant public tenders,
- giving opinions (within internal corporate governance) on the activities of the companies in the Apator Group concerning the disposal of the right or incurring the liabilities above PLN 20 million,
- analysis of economic situation and risks in particular segments and business lines of Apator Group,
- analysis of current situation and prospects of development of key companies for the activity of Apator Group (Apator Powogaz SA, Apator Metrix SA, Apator Elkomtech SA, Apator Rector sp. z o.o.)
- sale of real estate and relocation of Apator Powogaz SA,
- corporate and financial supervision over foreign entities of the Apator Group,

# Supervision over the activity of Apator and Apator Group (3)

## The Supervisory Board's areas of oversight in 2020 included:

- optimization of the property of the Apator Group (real estate, working capital)
- analysis of commitments of Apator Group,
- investment outlays in Apator Group
- R&D area in the Apator Group,
- dividend policy,
- execution of the share buy-back program of Apator SA,
- personnel policy of Apator Group and the system of remuneration of the Executive Board of entities in Apator Group,
- sponsorship policy,
- Analysis of the Internal Auditor's reports and comments of the Audit Committee and analysis of the implementation of recommendations,
- changes in law (compliance).



# Audit Committee



## Personal composition of the Audit Committee:

- Marcin Murawski – Chairman (independent)
- Mariusz Lewicki – Member
- Kazimierz Piotrowski – Member (independent)

With reference to the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017, the independence criteria required by this Act are met by the majority of the Audit Committee members: **Marcin Murawski and Kazimierz Piotrowski.**

The Supervisory Board of Apator SA declares that the regulations concerning the requirements to have the knowledge and skills in the industry where the issuer operates and in accounting or auditing of financial statements are respected.

**In 2020, the Audit Committee held 11 meetings, during which it took positions on matters on the agenda and adopted 7 resolutions (of which 4 resolution were adopted by means of distance communication).**

# Audit Committee

## The scope of work of the Audit Committee in 2020 included:

- analysis of current situation of Apator Group in view of the influence of pandemic Covid-19,
- cooperation with the statutory auditor, including the analysis of the scope and schedule of work carried out within the financial audit process,
- monitoring the independence of the auditor PricewaterhouseCoopers Polska sp. z o.o. Audyt sp.k.,
- audit of financial statements and reports of the Executive Board for 2019 and issuing a positive recommendation to the Supervisory Board,
- a review of the quarterly financial statements published in 2020
- to approve the provision of additional services by the auditor for the evaluation of the 2019-2020 remuneration report and the verification of financial statements in XBRL format (new reporting standard),
- supervision over the FX risk hedging policy and periodical analysis of the status of futures contracts,
- supervision of the implementation of the internal audit function, analysis of reports and recommendations issued by the Internal Auditor,
- supervision over the internal control system,
- supervision over the risk management system,
- supervision over the system of compliance with regulations and legal risks.

# Human resources policy performed by the Supervisory Board



**Mirosław  
Klepacki**

President of the Executive Board,  
General Director

Appointed on May 27, 2019



**Arkadiusz  
Chmielewski**

Member of the Executive Board,  
Chief Business Development Officer

Appointed on May 27, 2019



**Tomasz  
Łątka**

Member of the Executive Board,  
Smart Grid Automation Director

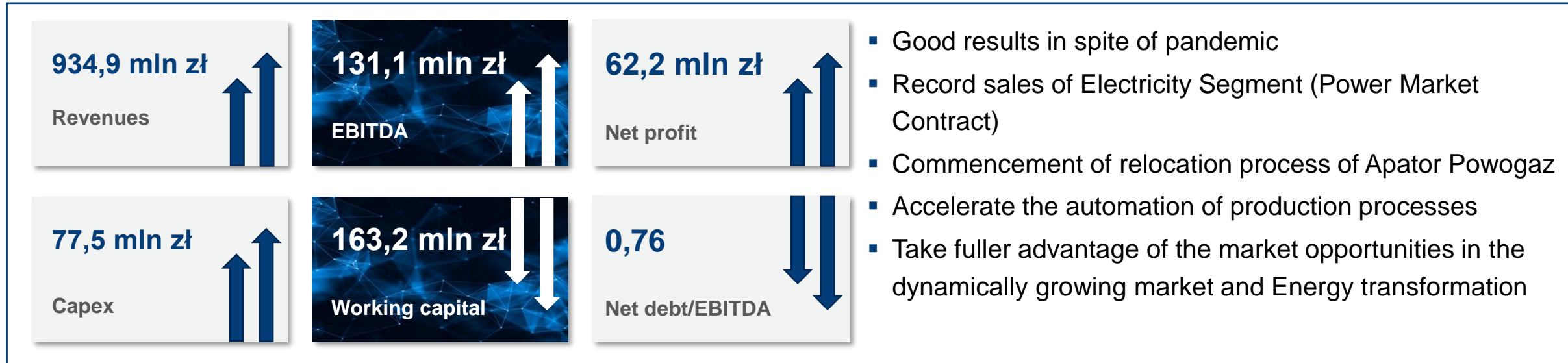
Appointed on September 1, 2020

The current term of office of the Board of Directors ends on the date of the 2022 Annual General Meeting

In accordance with the Offer Act, the Supervisory Board has prepared a remuneration report for 2019-2020 as a separate document.

# Assessment of the activity and financial results of Apator SA and Apator Group

## Apator Group in 2020:



The Supervisory Board confirms that the Group's strategic initiatives are appropriate.

The Supervisory Board also emphasises the stable foundations and secure financial position of Apator Group, which provides security for the continuation of operations when the long-term effects of pandemics and supply chain turbulence are difficult to predict.

# Self-assessment of the work of the Supervisory Board

The Supervisory Board believes that, guided in its conduct by the interests of the company and its group, it has performed its duties properly and in accordance with the formal and legal requirements, providing professional support on the merits and adequate supervision of all aspects of its activities.

**The Supervisory Board requests the General Meeting of Shareholders to approve the report on the Board's activities and to grant a vote of acceptance to all persons performing the functions of Members of the Supervisory Board in 2020.**

Thank you for the attention

