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Report on the activities of the Supervisory Board for 2021

General Shareholders
Meeting Apator SA
Toruń, 28 June 2022



The presentation includes selected issues from the Report on Activities of the Supervisory Board of Apator SA for 2021

The full content of the report is available from 1st June 2022 on the website of Apator SA: www.apator.com



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Composition of the Supervisory Board and its meetings

Throughout the reporting period, the composition of the SB was as follows:

- Janusz Niedźwiecki – Chairman of the SB (independent acc. DPSN 2021)
- Mariusz Lewicki – Deputy chairman of the SB
- Janusz Marzygliński – Member of the SB
- Danuta Guzowska – Member of the SB
- Kazimierz Piotrowski – Member of the SB
- Marcin Murawski – Member of the SB (independent acc. DPSN 2021)
- Tadeusz Sosgórnik – Member of the SB

The current term of office of the Supervisory Board is 5 years and ends on the date of the 2025 Ordinary General Meeting.

The Supervisory Board in 2021:

- ✓ held 29 meetings,
- ✓ passed 52 resolutions (16 of which were voted on by circulation).

Composition of the Audit Committee and its meetings

The composition of the AC throughout the reporting period was as follows:

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

The term of office of the AC coincides with that of the Supervisory Board.

In accordance with the Act of May 11, 2017 on Certified Public Accountants, Audit Firms and Public Supervision, the required independence criteria are met by two Audit Committee members, **Marcin Murawski and Kazimierz Piotrowski**.

The Supervisory Board of Apator SA declares that in accordance with the requirements of the aforementioned Act on Statutory Auditors, the regulations are observed regarding the possession by the members of the Audit Committee of knowledge and skills in the industry in which the issuer operates and in accounting or auditing.

The Audit Committee in 2021:

- ✓ held 11 meetings,
- ✓ passed 9 resolutions (3 of which were voted on by circulation).

Remuneration of the Supervisory Board in 2021.

Name	Fixed remuneration from Apator SA	Additional benefits from Apator SA*	Total remuneration from Apator SA	Remuneration from other entities belonging to Apator Group**	Total remuneration from Apator Group
Janusz Niedźwiecki Chairman of the Supervisory Board	102 000		102 000	21 000	123 000
Mariusz Lewicki Deputy Chairman of the Supervisory Board	102 000		102 000	108 000	210 000
Danuta Guzowska Member of the SB	84 000		84 000		84 000
Janusz Marzygliński Member of the SB	84 000		84 000	60 000	144 000
Marcin Murawski Member of the SB	102 000	2 286	104 286		104 286
Kazimierz Piotrowski Member of the SB	102 000		102 000	48 000	150 000
Tadeusz Sosgórnik Member of the SB	84 000	165	84 165	223 800	307 965
Summary	660 000	2 451	662 451	460 800	1 123 251

The level of SB salaries is PLN 8.5 thousand - Chairman of the SN, PLN 7 thousand - other SN members, PLN 1.5 thousand - allowance for serving on Committees.

The immediate family members of the Supervisory Board members did not receive any monetary or non-monetary benefits.

Personnel policy implemented by SB



Until November 24, 2021, the composition of the Management Board of Apator SA was as follows:

- Miroslaw Klepacki - Chairman of the Board, General Director
- Arkadiusz Chmielewski - Member of the Board, Business Development Director of Apator Group
- Tomasz Łątka - Member of the Board, Director of Network Automation

The current term of the Management Board ends on the date of the 2022 Annual Meeting.

As a result of the resignation of M. Klepacki, from November 25, 2021, the composition of the Management Board of Apator SA is as follows:



**Arkadiusz
Chmielewski**

President of the MB, Business Development Director of Apator Group

Appointed to the current term on 27.05.2019



**Tomasz
Łątka**

Member of the MB, General Director of Apator SA

Appointed to the current term on 01.09.2020

Remuneration of the Board of Directors in 2021.

Name	Basic salary from Apator SA	Variable remuneration from Apator SA (provisions for bonuses)	Additional benefits from Apator SA	Total remuneration from Apator SA	Share of variable remuneration in total	Remuneration from other entities belonging to Apator Group	Total remuneration from Apator Group
Mirosław Klepacki President of the Board	786 931	280 000	10 385	1 077 316	26%	84 000	1 161 316
Arkadiusz Chmielewski Member/President of the Board	294 000	118 080	-	412 080	29%	696 238	1 108 318
Tomasz Łątka MB member	180 000	72 000	11 248	263 248	27%	652 703	915 951
Summary	1 260 931	470 080	21 633	1 752 644	27%	1 432 941	3 185 585

No monetary or non-monetary benefits were provided to the immediate relatives of the Board Members.

Bonus for 2021. - The Supervisory Board will evaluate the achievement of the set goals after the OGM approves the financial statements.

Performing the supervision over the activity of Apator SA and the Apator Group(1)

Areas of continuous supervision by the Supervisory Board:

- supervision of the company and the capital group in all areas of activity
- supervision of the Board's work

Areas of special supervision by the Supervisory Board in 2021:

- the economic environment, financial performance, implementation of budgets and the reasons for their deviations
- supply chains and material availability, material cost inflation, working capital levels
- pricing policy in view of inflationary pressures, especially in the context of long-term contracts
- analysis of the cost of operations and the level of assumed reserves
- efficiency of production and logistics processes
- liquidity of Apator SA and the Apator Group
- analysis of current situation and perspectives of development of key companies for activity of the Apator Group (Apator Powogaz SA, Apator Metrix SA, Apator Elkomtech SA, Apator Rector sp. z o.o.).



Performing the supervision over the activity of Apator SA and Apator Group (2)

Areas of special supervision by the Supervisory Board in 2021:

- analysis of economic situation and risks in particular segments and business lines of the Apator Group
- Capital expenditures (capex) R&D area, new business areas (e.g., RES)
- optimization of assets of Apator Group (real estate), in particular sale of real estate in Poznań and relocation of Apator Powogaz SA
- merger of Apator Elkomtech with Apator SA (including opinion on financial statements of Apator Elkomtech by RN Apator SA as a result of legal succession)
- acquisition of shares of Apator Telemetria Sp. z o.o.
- appointment of A. Chmielewski as chairman of the board in connection with the resignation of M. Klepacki
- review of decisions of the Management Board of Apator SA made in the form of resolutions (e.g. hedging of currency risks, granting of proxies, disposal of rights or incurring of liabilities below PLN 20 million)
- consent to disposing of the right or incurring of liabilities by Apator SA of the value over PLN 20 million (according to the Articles of Association of the company), in particular, consent to participation of the company in important public tenders



Performing the supervision over the activity of Apator SA and Apator Group (3)

Areas of special supervision by the Supervisory Board in 2021 :

- issuing opinions (within the framework of internal corporate governance) on the actions of companies in the Apator Group, e.g. concerning the disposal of rights or incurring of liabilities exceeding PLN 20 million, the composition of the management boards of subsidiaries, etc.
- corporate and financial supervision of foreign companies in the Apator Group
- review of related party transactions
- dividend policy
- performance of the program of acquisition of own shares of Apator SA
- personnel policy and remuneration policy of Apator Group
- sponsorship policy
- participation in all Audit Committee meetings (including supervision of the internal audit system, internal control, risk management, compliance and legal risks, analysis of Internal Auditor's reports)
- selection of auditor - PwC for 2021-2023



Assessment of activity of Apator SA and Apator Group



- Stable revenue levels - segment and geographic diversification
- Optimization of the Apator Group structure (merger of Apator SA with Apator Elkomtech SA)
- Reorientation in terms of production location and sales directions
- Further automation and robotization of production processes

Apator Group has a comprehensive offer in the field of utility measurement.

Further plans focus on the development of renewable energy solutions and services in the area of water and heat, as well as expanding the gas segment's competence through the development of technologies in hydrogen and biogas metering.



Apator on the Stock Exchange



24.04.1997 debut on the WSE

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Dividend company

payment of PLN 0.5 billion in dividends and share buyback programs



Stock market index sWIG80 and WIGdiv



Thank you for your attention

