

**REPORT OF THE SUPERVISORY BOARD OF
PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO "PEPEES" S.A.
ON REMUNERATION FOR
2024**

Łomża, 21.03.2025.

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I. Introduction

This remuneration report was prepared in accordance with the requirements of Article 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (the "Act").

The general remuneration principles for the Management Board and the Supervisory Board Members of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A., with its registered office in Łomża (the "Company"), are set out the Remuneration Policy for the Management Board and the Supervisory Board Members of Przedsiębiorstwo Przemysłu Spożywczego

"PEPEES" S.A., adopted by way of resolution no. 17 of the Annual General Meeting of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A., with its registered office in Łomża, of 6 June 2024 (the "Remuneration Policy") and is applicable as of the date of adoption.

Personal composition of the Management Board and the Supervisory Board of "PEPEES" S.A.

The Management Board and the Supervisory Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" SA. act under applicable legal provisions, the Company's Articles of Association, the Regulations of the Supervisory Board, as well as the Regulations of the Management Board.

Management Board

In the reporting period from 1 January 2024 to 31 December 2024, the Management Board of "PEPEES" S.A. operated in the same composition:

- Wojciech Faszczewski – the President of the Management Board
- Tomasz Rogala – a Member of the Management Board

Supervisory Board

During the reporting period from 1 January 2024 to 31 December 2024, the composition of the Supervisory Board was as follows:

- Maciej Jacek Kaliński – the Chairperson of the Supervisory Board.
- Robert Malinowski – the Deputy Chairperson of the Supervisory Board.
- Agata Czerniakowska – the Secretary of the Supervisory Board.

- Jacek Okoński – a Member of the Supervisory Board.
- Kajetan Rościszewski – a Member of the Supervisory Board.

II. Total remuneration of the Management Board and the Supervisory Board Members

Remuneration principles for the Management Board Members from 2023 to 2024.

The general principles for the remuneration of the Company's Management Board Members are specified in the Remuneration Policy. The remuneration of the Management Board Members is determined by the Supervisory Board based on resolutions of the Supervisory Board and managerial contracts. The remuneration of the Management Board Members consists of fixed remuneration, variable remuneration and fringe benefits.

According to the foregoing documents, the remuneration of the Management Board Members may consist of:

- fixed remuneration
- variable remuneration (bonus)
- compensation for leave not taken
- remuneration for the non-performance of duties
- remuneration for not engaging in competitive activities
- right to participate in the Employee Pension Scheme (EPP)
- fringe benefits

Fringe benefits may consist of the following components in the form of:

- company car, including the driver, for business or private use,
- personal computer and a business telephone,
- medical care package, including for immediate family members,
- business accommodation granted when the permanent place of work is at a significant distance from the place of permanent residence,
- participation in training funded by the Company,
- civil liability insurance for the company authorities,
- other benefits in accordance with the Company's regulations granting the benefits to the general workforce (e.g. accident insurance)

The fixed remuneration and fringe benefits to which the Members of the Management Board are entitled are determined on the basis of their individual management contracts. In 2024, the fixed remuneration of the Management Board was paid in accordance with resolution no. **XI/39/2023** of the Supervisory Board of 27 September 2023.

In 2024, the fixed remuneration of the Management Board Members was monthly:

- President of the Management Board – PLN 52,000.00
- Member of the Management Board – PLN 39,000.00

The variable remuneration principles, in the form of bonuses, for the Management Board Members were established by the Supervisory Board based on the Supervisory Board's resolution no. **X/99 /2022** of 13 April 2022. The foregoing resolution established the bonus rules for the Management Board Members for the period from 2022 to 2024.

Detailed information on the terms and conditions and level of remuneration of the Management Board Members are contained in the tables below.

Remuneration of the Management Board Members in 2023 by components (data in PLN)

Full name	Period of the function in 2022	Total remuneration	Fixed remuneration	Variable remuneration	Holiday remuneration	Contributions to the Employee Pension Scheme	Other benefits
Wojciech Faszczeński	01.01.2023-31.12.2023	926,781.54	528,000.00	292,519.94	50,727.15	31,340.45	24,194.00
Tomasz Krzysztof Rogala	01.01.2023-31.12.2023	713,978.93	396,000.00	209,345.96	51,855.23	24,144.21	32,633.53
Total		1,640,760.47	924,000.00	501,865.90	102,582.38	55,484.66	56,827.53

Relative proportions between the fixed and variable components of the remuneration for 2023

Full name	Fixed remuneration (PLN)	Variable remuneration (PLN)	Proportions between variable and fixed remuneration
	1	2	21
Wojciech Faszczeński	634,261.60	292,519.94	46.12%
Tomasz Krzysztof Rogala	504,632.97	209,345.96	41.48%

Remuneration of the Management Board Members in 2024 by components (data in PLN)

Full name	Period of the function in 2022	Total remuneration	Fixed remuneration	Variable remuneration	Holiday remuneration	Contributions to the Employee Pension Scheme	Other benefits
Wojciech Faszczeński	01.01.2024-31.12.2024	932,873.09	630,076.12	207,456.00	39,771.00	31,340.97	24,229.00
Tomasz Krzysztof Rogala	01.01.2024-31.12.2024	686,247.44	468,000.00	146,970.00	13,050.00	23,206.44	35,021.00
Total		1,619,120.53	1,098,076.12	354,426.00	52,821.00	54,547.41	59,250.00

Relative proportions between the fixed and variable components of the remuneration for 2024

Full name	Fixed remuneration (PLN)	Variable remuneration (PLN)	Proportions between variable and fixed remuneration
	1	2	2/1
Wojciech Faszczeński	725,417.09	207,456.00	28.60%
Tomasz Krzysztof Rogala	539,277.44	146,970.00	27.25%

Remuneration principles for the Supervisory Board Members from 2023 to 2024

In accordance with the Remuneration Policy, the remuneration of the Supervisory Board Members is determined by the General Meeting. The General Meeting adopts the resolution to determine the remuneration of the Supervisory Board Members. The remuneration of the Supervisory Board Members consists of fixed remuneration and fringe benefits. The Supervisory Board Members are not entitled to variable remuneration.

According to the foregoing documents, the remuneration of the Supervisory Board Members may consist of:

- fixed remuneration
- right to participate in the Employee Pension Scheme (EPP)
- fringe benefits

Fringe benefits may consist of the following components in the form of:

- company car, including the driver, for business or private use,
- personal computer and a business telephone,

- medical care package, including for immediate family members,
- business accommodation granted when the permanent place of work is at a significant distance from the place of permanent residence,
- participation in training funded by the Company,
- civil liability insurance for the company authorities,
- other benefits in accordance with the Company's regulations granting the benefits to the general workforce (e.g. accident insurance)

On 14 April 2022, the Annual General Meeting, by way of resolution no. 30, amended the remuneration principles for the Supervisory Board, granting fixed remuneration rates for the various functions held on the Supervisory Board.

With effect from 25 May 2023, the rates of remuneration for the Supervisory Board Members were amended pursuant to resolution no. 20 of Annual General Meeting on the same day.

As of 14 April 2022, in accordance with resolution no. 30 of the Annual General Meeting, the fixed remuneration of the members of the Supervisory Board was monthly:

- Chairperson of the Supervisory Board – PLN 20,000.00
- Deputy Chairperson of the Supervisory Board – PLN 13,000.00
- Secretary of the Supervisory Board – PLN 12,000.00
- Member of the Supervisory Board – PLN 7,500.00

From 25 May 2023, pursuant to resolution no. 20 of the Annual General Meeting, the fixed remuneration of the Supervisory Board Members was monthly:

- Chairperson of the Supervisory Board – PLN 22,000.00
- Deputy Chairperson of the Supervisory Board – PLN 14,000.00
- Secretary of the Supervisory Board – PLN 13,000.00
- Member of the Supervisory Board – PLN 8,500.00

Detailed information on the amount of remuneration of the Supervisory Board Members is contained in the table below.

Remuneration of the Supervisory Board Members in 2023 by components (data in PLN)

Full name	Period of the function	Total remuneration	Fixed remuneration	Contributions to the Employee Pension Scheme	Other benefits
Maciej Kaliński	01.01.2023-31.12.2023	267,426.05	258,111.41	8,919.64	395.00
Robert Malinowski	01.01.2023-31.12.2023	159,132.68	158,737.68	-	395.00
Agata Czerniakowska	01.01.2023-31.12.2023	127,884.84	127,489.84	-	395.00
Jacek Okoński	01.01.2023-31.12.2023	99,348.94	98,953.94	-	395.00
Kajetan Rościszewski	01.01.2023-31.12.2023	99,323.53	98,928.53	-	395.00
Total		753,116.04	742,221.40	8,919.64	1,975.00

Remuneration of the Supervisory Board Members in 2024 by components (data in PLN)

Full name	Period of the function	Total remuneration	Fixed remuneration	Contributions to the Employee Pension Scheme	Other benefits
Maciej Kaliński	01.01.2024-31.12.2024	277,553.12	267,883.59	9,254.53	415.00
Robert Malinowski	01.01.2024-31.12.2024	172,616.29	172,201.29		415.00
Agata Czerniakowska	01.01.2024-31.12.2024	158,755.45	158,340.45		415.00
Jacek Okoński	01.01.2024-31.12.2024	106,049.60	102,957.10	2,677.5	415.00
Kajetan Rościszewski	01.01.2024-31.12.2024	102,612.48	102,197.48		415.00
Total		817,586.94	803,579.91	11,932.03	2,075.00

III. Compliance of the remuneration of the Management Board and the Supervisory Board Members with the Remuneration Policy

The remuneration of the Management Board and the Supervisory Board Members was compliant with the Remuneration Policy. In the opinion of the Supervisory Board, the adopted structure of remuneration distribution of the Management Board between fixed and variable components contributes to the achievement of long-term objectives and results of the Company and, therefore, to the increased goodwill in the long term. The achievement of the management objectives set by the Supervisory Board involves periodic bonus to be granted to the Management Board Members.

The fixed remuneration is dependent on the duties and responsibilities of the respective Management Board Members. The amount of such monthly fixed remuneration

has been specified by the Supervisory Board.

The variable part of the remuneration of the Management Board Members, in the form of quarterly and annual bonuses, depends on the level of the achievement of key objectives under the rules established by the Supervisory Board, taking into account the financial results achieved. Objectives are determined by the Supervisory Board based on the current operational and strategic goals of the Company for a given period along with the measures of their implementation, including the performance of the planned sales budget, the achievement of planned profit or EBIDTA level. The Supervisory Board assessed the level of achievement of respective indicators based on the periodical financial statements. The variable remuneration represented 30.59% in 2023 and 21.89% in 2024 of the total remuneration of the Management Board Members.

The remuneration of the Supervisory Board Members was defined by the Annual General Meeting. The remuneration of the Supervisory Board Members varies depending on the function performed, taking into account the degree of involvement of the Supervisory Board Members in duties performed and the principles of responsibility of the Supervisory Board Member of a listed company.

IV. Criteria pertaining to results

In accordance with the Company's Remuneration Policy, the Management Board Members collected variable remuneration in the form of quarterly and annual bonuses. Pursuant to the Supervisory Board's resolution of 13 April 2022 No. **X/99/2022**, the quarterly and annual bonus consists of a "sales" part and a "results" part. The sales bonus is paid subject to the achievement of the planned sales revenue budget. The performance bonus, on the other hand, is paid on the condition that the planned net profit is exceeded. The condition for the receipt of both the what is referred to as the bonus for sales and the bonus for results for the next three (3) quarters of each year and the annual bonus was to exceed the planned EBIDTA result.

The maximum total amount of remuneration components constituting the Periodic Bonus may depend, for instance, on the level of generated profit and constitute a

percentage share in the net profit generated above the planned profit, taking into account the functions performed. Pursuant to the Remuneration Policy, the maximum total amount of variable remuneration and other fringe benefits of a Member of the Management Board and the Supervisory Board of the Company may not exceed 100% of the annual Remuneration of the Permanent Member of the Management Board or the Supervisory Board of the Company.

V. Change in the remuneration of the Management Board and the Supervisory Board Members, the Company's results and the average remuneration of the Company's employees

(data in PLN)

Specification	2020	2021	2022	2023	2024
Revenues from the Company's sales	155,182	163,943	186,512	169,273	177,916
Company's net profit (loss)	5,530	-2,343	9,204	7,778	-10,610
Total remuneration of the Management Board Members	1,314.4	1,401.1	1,358.3	1,640.8	1,619.1
Total remuneration of the Supervisory Board Members	968.6	1,037.4	916.9	753.1	817.6
Average employee remuneration *	60.4	68.0	68.9	76.1	84.1

* The mean annual remuneration of employees who are not the Management Board and the Supervisory Board Members was calculated as the sum of the remuneration paid for the financial year divided by the mean number of FTEs in a specific financial year.

Specification	Change (%)			
	2021/2020	2022/2021	2023/2022	2024/2023
Revenues from the Company's sales	5.65%	13.77%	-9.24%	5.11%
Company's net profit (loss)	-142.37%	-492.83%	-15.49%	-236.41%
Total remuneration of the Management Board Members	6.60%	-3.05%	20.79%	-1.32%
Total remuneration of the Supervisory Board Members	7.11%	-11.62%	-17.86%	8.56%
Average employee remuneration *	12.57%	1.35%	10.49%	10.38%

In 2024, the Supervisory Board did not revise the rules pertaining to the fixed remuneration of the Management Board Members. By way of resolution no. **XI/74/2024** of 18 December 2024, the Supervisory Board approved the bonus rules for the Company's Management Board for the years from 2025 to 2027.

In 2024, the Company's Annual General Meeting did not revise the fixed remuneration of the Supervisory Board Members.

VI. Remuneration from entities belonging to the same capital group

Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. is the parent company of the PEPEES Capital Group. The Group comprises the following entities:

- Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. – the parent company
- Przedsiębiorstwo Przemysłu Ziemniaczanego „Bronisław” S.A. – a subsidiary
- Zakłady Przemysłu Ziemniaczanego "Lublin" Sp. z o.o. – a subsidiary
- Gospodarstwo Rolne „Ponary” Sp. z o.o. – a subsidiary
- PEPEES Inwestycje Sp. z o.o. – a subsidiary

The selected Members of the Management Board and the Supervisory Board of PEPEES S.A. serve on the Management Boards and the Supervisory Boards of the subsidiary companies.

Remuneration of the Management Board Members received in the subsidiaries in 2023 **(PLN)**

Full name	TOTAL	PPZ Bronisław	ZPZ Lublin
Wojciech Faszczeński	296,770.15	209,858.08	86,912.07
Tomasz Krzysztof Rogala	0.00		
Total	296,770.15	209,858.08	86,912.07

Remuneration of the Management Board Members received in the subsidiaries in 2024 **(PLN)**

Full name	TOTAL	PPZ Bronisław	ZPZ Lublin
Wojciech Faszczeński	366,097.77	269,292.36	96,805.41
Tomasz Krzysztof Rogala	0.00	-	-
Total	366,097.77	269,292.36	96,805.41

Mr Wojciech Faszczeński received remuneration for acting as the Management Board President at PPZ Bronisław S.A. and for acting as a Member of the Supervisory Board at ZPZ Lublin Sp. z o.o.

Detailed information on the amount of remuneration received by the Supervisory Board Members of PEPEES S.A. for serving as supervisory board members at subsidiaries is provided in the tables below.

Remuneration of the Supervisory Board Members received in the subsidiaries in 2023
(data in PLN)

Full name	TOTAL	PPZ Bronisław	ZPZ Lublin
Maciej Kaliński	31,004.81	31,004.81	-
Robert Malinowski	109,408.03	44,057.88	65,350.15
Agata Czerniakowska	118,983.69	75,527.64	43,456.05
Total	259,396.53	150,590.33	108,806.20

Remuneration of the Supervisory Board Members received in the subsidiaries in 2024
(data in PLN)

Full name	TOTAL	PPZ Bronisław	ZPZ Lublin
Maciej Kaliński	74,411.52	74,411.52	-
Robert Malinowski	121,348.36	43,904.02	77,444.34
Agata Czerniakowska	123,688.66	75,285.91	48,402.75
Total	319,448.54	193,601.45	125,847.09

VII. Number of financial instruments granted or offered and the main conditions for the exercise of the rights attached to these instruments

In the reporting period, no financial instruments were granted or offered to the Management Board and the Supervisory Board Members.

VIII. Reimbursement of variable remuneration components

In accordance with the Remuneration Policy and the resolutions of the Annual General Meeting and the Supervisory Board, only members of the Management Board are entitled to variable remuneration. The Remuneration Policy does not provide for deferral periods or the option for the Company to claim back variable remuneration components (bonuses).

IX. Information on deviations from the procedure for implementing the Remuneration Policy and deviations from the application of the Remuneration Policy

The Supervisory Board did not make any decisions on temporary deviations from the implemented Remuneration Policy and the deviations applied pursuant to Article 90f of the Polish Act on Public Offering.

X. Information on the value of pecuniary and non-pecuniary benefits granted to the immediate family of the Management Board and the Supervisory Board Members

The Company's Remuneration Policy, effective as of 6 June 2024, provides that the remuneration of the Members of the Management Board and Supervisory Board may include fringe benefits granted to members of the immediate family of the Members of the Management Board and the Supervisory Board in the form of a medical care package. In 2024, PEPEES S.A. did not grant any pecuniary or non-pecuniary benefits to the closest relatives of the Members of the Management Board and Supervisory Board.

XI. Explanation of how the resolution commenting on the previous remuneration report was taken into account in the remuneration report

On 6 June 2024, the Annual General Meeting of PEPEES S.A. adopted resolution no. 15 on giving its opinion on the Report on the remuneration of the Company's Management

and Supervisory Boards Members for 2023. The Annual General Meeting resolved to give a favourable opinion on the Remuneration Report. The resolution in question did not comment on the substance or form of the 2023 Remuneration Report.

XII. Summary

The Supervisory Board has reviewed remuneration and all benefits collected by the respective Members of the Management Board and the Supervisory Board for compliance with the applicable resolutions of the General Meeting and the Supervisory Board and the Remuneration Policy.

In the opinion of the Supervisory Board, remuneration paid to the Management Board Members, both as regards fixed and variable components, is compliant with the applicable Remuneration Policy.

The Supervisory Board positively assesses the functioning of the Remuneration Policy. The remuneration report was prepared by the Supervisory Board in order to fulfil the requirements defined in Article 90g(1) of the Polish Act on Public Offering.

Signed by:
Maciej Jacek
Kaliński
Date:
2025-04-25 18:24

Signatures of the Supervisory Board Members

1. Maciej Kaliński.....

2. Robert Malinowski

PODPIS ZAUFANY

AGATA
CZERNIAKOWSKA

28.04.2025 11:26:34 [GMT+2]

Dokument podpisany elektronicznie
podpisem zaufanym

3. Agata Czerniakow.....

4. Jacek Okoński.....

Digitally signed by
Jacek Jan Okoński
Date: 2025.05.13
14:29:48 +02'00'

5. Kajetan Rościszewski

Podpisano przez/ Signed by:
Robert
Malinowski
Data/ Date: 14.05.2025 12:48
mSzafir

Podpisano przez/ Signed by:
KAJETAN
ROŚCISZEWSKI
Data/ Date: 13.05.2025 13:37
mSzafir