Report on remuneration

Members of the Management Board and of the Supervisory Board of Prochem S.A.

for 2025

1. **Introduction**

Hereby report of the Supervisory Board on the remuneration of Members of the Management Board and of the Supervisory Board (referred to as the Report on Remuneration) has been prepared in accordance with the requirements of Art. 90g. of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, as amended

Main reasons for preparing the report are:

- Transparency and disclosure
- Remuneration policy review
- Linking pay to performance (Pay for Performance), the document demonstrates the extent to which variable compensation depends on specific business goals and the company's financial condition
- Strengthening shareholder oversight
- Building investor trust, transparent remuneration policies signal to the market that the company is managed in a mature and predictable manner.

The Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Prochem S.A. approved by Resolution No. 23 of the General Meeting of Shareholders of Prochem S.A. on August 25, 2020 was in force until 26 June 2025, and from 27 June 2025 the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board (the “Policy”) approved by Resolution No. 18 of the General Meeting of Shareholders of Prochem S.A. on June 27, 2025 is in force.

Pursuant to § 5 of the Policy, the Supervisory Board prepares an annual remuneration report in order to present to the General Meeting a comprehensive review of remuneration, including all benefits, regardless of their form, received by individual Members of the Management Board and of the Supervisory Board in the preceding financial year. Since the report is subject to review by the General Meeting, it gives shareholders a real tool to put pressure on the Management Board and the Supervisory Board on remuneration issues. Hereby study provides shareholders and stakeholders with transparent information on the remuneration structure, its correlation with business strategy and the impact of financial results on the level of variable components. The report is certified by a certified auditor.

Pursuant to Article 36 sec. 2 of the Act of 16 October 2019 amending the Act on Public Offering and conditions for introducing financial instruments to organized trading system and on public companies and certain other acts (Journal of Laws of 2019, item. 2217) the Supervisory Board have prepare the first report on the total remunerations for 2019 and 2020. The next report was prepared for 2021, 2022, 2023 and 2024. Remuneration report hereby relate to 2025.

2.Composition of the Management Board and Supervisory Board

2.1 The Management Board

In the reporting period from 01 January 2025 to 31 December 2025, the Management Board of Prochem S.A. operated in the following composition:

- Marek Kiersznicki – President of the Management Board
- Krzysztof Marczak – Vice President of the Management Board
- Michał Dąbrowski – Member of the Management Board until June 26, 2025
- – Vice President of the Management Board since June 27, 2025

The above-mentioned composition of the Management Board of Prochem S.A. was appointed on June 27, 2025.

Pursuant to the resolution of the Supervisory Board, the two-year term of office of the Company's Management Board in the above-mentioned composition began on June 27, 2025.

2.2 The Supervisory Board

In the reporting period from 01 January 2025 to 31 December 2025, the Supervisory Board of Prochem S.A. operated in the following composition:

- Jarosław Stępniewski – Chairman of the Supervisory Board
- Karol Żbikowski – Vice Chairman of the Supervisory Board
- Marek Garliński – Member of the Supervisory Board
- Wiesław Kiepiel – Member of the Supervisory Board
- Steven Tappan – Member of the Supervisory Board

3.Components of the remuneration of the Management Board and of the Supervisory Board in financial year 2025

3.1.The Management Board

In 2025 the remuneration of Members of the Management Board of Prochem S.A. consisted of the following elements:

- remuneration under the employment contract

The remuneration under the employment contract consists of:

- fixed monthly remuneration
- movable remuneration

The movable part of the remuneration is determined individually for each member of the management board with a specific percentage of the net profit achieved by the Company in a given financial year. The movable part of the remuneration is payable after the approval of the Company's Financial Statement for the previous year by the General Meeting of Shareholders of Prochem S.A.

The employment contract also contains an item that in the event of termination of the employment contract, regardless of the reasons for termination, the employer undertakes to pay the employee an additional one-time cash benefit in the amount of six months' basic salary with a functional bonus, except when the contract is terminated for reasons that are clearly the employee's fault.

- remuneration for serving in the Management Board (due to appointment)

Remuneration for performing functions in the Management Board consists of z:

- fixed monthly remuneration

- awards calculated as a percentage of the net profit of the Capital Group of Prochem S.A.

The Supervisory Board of Prochem S.A. decides about the award and the amount of the award in the form of a resolution. In the case of granting the award by the Supervisory Board, it is payable after the approval of the financial statements of the Capital Group of Prochem S.A. for the previous year by the General Meeting of Shareholders of Prochem S.A.

- non-cash benefits

The remuneration in the form of a non-cash benefit granted to Members of the Management Board is a remuneration that is also available to other employees of the Company and includes, among others, the possibility of using the Company's equipment, including a company car, computer, telephone, access to literature and the press, and also additional non-wage benefits in a form of private medical care, life insurance and training opportunities. In addition to the Management Board, a company car is available to management staff, chief designers, specialists, and contract managers.

Table 1 - The amount of total remuneration of Members of the Management Board of Prochem S.A. in 2025, broken down into the components referred to in Art. 90d section 3 item 1 of the Act on Public Offering and the mutual proportions between these components of remuneration (in PLN thousand)

Name and surname	Fixed components		Variable components		Total remunerations	% Share of fixed and variable components in total remuneration	PPK Employee Capital Plans	Non-cash benefits	Total remuneration and non-cash benefits and PPK
	Remuneration under the employment contract	Remuneration due to appointment	Movable part under the employment contract	Appointment award					
Marek Kiersznicki President of the Management Board, CEO	542,9	144,0	0	0	686,9	100/0	10,5	13,2	710,6
Krzysztof Marczak Vice President of the Management Board Financial Director	449,3	115,2	0	0	564,5	100/0	8,6	11,4	584,5
Michał Dąbrowski Vice President of the Management Board Sales and Marketing Director	441,5	105,3	0	0	546,8	100/0	8,2	5,4	560,4

3.2.The Supervisory Board

In 2025, the remuneration of Members of the Supervisory Board of Prochem S.A. consisted of the following elements:

- fixed cash remuneration based on appointment to the position of the Chairman of the Supervisory Board or a Member of the Supervisory Board.

Members of the Supervisory Board receive remuneration in the amount and on the terms specified in the Bylaws of the Supervisory Board of Prochem S.A. resolved by the General Meeting of Shareholders of Prochem S.A. A member of the Supervisory Board receives remuneration for performing a function in a supervisory body in the form of a fixed monthly gross amount determined in the Bylaws of the Supervisory Board. The Chairman of the Supervisory Board receives a salary greater than that of other members of the Supervisory Board, taking into account the additional workload for the functions performed.

The Chairman of the Supervisory Board, Jarosław Stępniewski, is employed at Prochem S.A. under a 0.50 FTE employment contract as a development project specialist and receives the remuneration presented in Table 3.

Marek Garliński, a member of the Supervisory Board, is employed at Prochem S.A. under a 0.25 FTE employment contract as a valuation specialist and receives the remuneration presented in Table 3.

Table 2 - Total remuneration of the Members of the Supervisory Board of Prochem S.A. in 2025, broken down by components referred to in Article 90d section 3 item 1 of the Act on Public Offering (in PLN thousand)

Name and surname	Fixed components	Variable components	Total remuneration	PPK Employee Capital Plans	Non-cash benefits	% Share of fixed and variable components in the total remuneration
	Remuneration	do not occur				
Jarosław Stępniewski Chairman of the Supervisory Board	114	0	114	0	0	100/0

Karol Żbikowski Vice Chairman of the Supervisory Board	96	0	46,4	1,4	0	100/0
Wiesław Kiepiel Member of the Supervisory Board	96	0	96	0	0	100/0
Marek Garliński Member of the Supervisory Board	96	0	96	0	0	100/0
Steven Tappan Member of the Supervisory Board (since 24 June 2024)	96	0	96	0	0	100/0

Table 3 - Amount of remuneration achieved in Prochem S.A. by the Chairman of the Supervisory Board and a Member of the Supervisory Board in 2025 employed under an employment contract in Prochem S.A.

Name and surname	Remuneration under an employment contract	Non-cash benefits	Total remuneration with non-cash benefits
Marek Garliński	24,0	0,4	24,4
Jarosław Stępniewski	96,0	8,2	104,2

4.Compliance of the Remuneration of Members of the Management Board and Members of the Supervisory Board with the Remuneration Policy and the performance criteria

The total remuneration of Members of the Management Board and Members of the Supervisory Board is in accordance with the Remuneration Policy adopted by the Company on June 27, 2025. The solutions adopted in the Policy contribute to the implementation of the business strategy, long-term interests and stability of the Company.

In accordance with the Policy adopted in the Company, the basis for determining the total amount of remuneration of Members of the Management Board and Supervisory Board in 2025 was the assessment of the effects of the work of a given person and organizational unit in relation to the financial results of the Company or the Group. Moreover, the remuneration paid to Members of the Management Board and of the Supervisory Board took into account the current situation of the Company.

Dependence on financial performance relates to the performance of the Company or the Capital Group. Detailed rules for determining, calculating and paying variable remuneration are specified by the Supervisory Board in an agreement concluded with a Member of the Management Board and in the resolution establishing the remuneration of a Member of the Management Board upon appointment.

In 2025, the variable part of remuneration dependent on the Company's results was not paid, which is payable after the General Meeting of Shareholders of the Company approves the Company's Financial Statements for the previous year. The variable part dependent on the Group's results, which is payable after the approval of the financial statements of the Prochem S.A. Capital Group based on the Resolution of the Supervisory Board, was also not granted.

Fixed remuneration is the basic component of remuneration, which guarantees the implementation of the Company's and Group's strategy by the Members of the Management Board, while the variable remuneration is motivating and stimulates effective achievement of strategic goals.

The remuneration of the Members of the Management Board and Members of the Supervisory Board took into account the goals set out in the Remuneration Policy. When determining the amount of remuneration, the implementation of the business strategy adopted by the Company, long-term interests assumed by the Company and the Company's stability were taken into account.

When assessing the results of individual Members of the Management Board, not only financial criteria were taken into account, but also the performance of tasks generating additional and unplanned revenues or savings, taking into account the risk related to the implementation of such tasks. Criteria that were taken into account when assessing individual results were also participation in activities influencing the Company's reputation, timely implementation of tasks assigned to individual Management Board Members, approach to risk and implementation of strategies in the supervised areas.

5.Information on the annual change in the remuneration of Members of the Management Board, the results of the Company and of the Group and the average remuneration of employees of the Company who are not members of the Management Board or Supervisory Board in the period 2019 – 2025.

Information in this category is presented for the financial years 2019 - 2025, given the content of Article 90g section 3 of the Act of Public Offering, according to which information on financial years for which the Supervisory Board was not obliged to prepare a remuneration report, may be provided on the basis of estimates, or omitted if it is indicated in the remuneration report.

Table 4 – Comparison of changes in the remuneration of Management Board Members in 2019 - 2023

Change in the remuneration of Management Board Members in 2019 - 2024	2019	2020	2021	2022	2023	2024	2025
Jarosław Stępniewski President of the Management Board until June 23, 2021	455,70	549,40	627,80	-	-	-	-
Change in relation to the previous year	-	20.60 %	14.30 %	-	-	-	-
Marek Kiersznicki President of the Management Board	459,60	540,70	709,60	662,80	953,90	710,20	710,60
Change in relation to the previous year	-	17.6 %	31.20 %	-6.60 %	43.92%	-25.55%	0.06%
Krzysztof Marczak Vice President of the Management Board	412,10	493,20	633,50	548,70	810,80	584,60	584,50
Change in relation to the previous year	-	19.70 %	28.40 %	-13.40 %	47.77%	-27.90%	-0.02%
Michał Dąbrowski Vice President of the Management Board	-	-	188,50	392,90	671,10	523,00	560,40
Change in relation to the previous year	-	-	-	-	70.80%	-22.07%	7.15%

The function held by Michał Dąbrowski has changed, on June 27, 2025 Michał Dąbrowski was appointed Vice President of the Management Board and at the same time his remuneration changed.

Table 5 – Comparison of the results of the Company and the Group in the financial years 2019 – 2025 and showing the change that took place

The year	2019	2020	2021	2022	2023	2024	2025
Net profit of Prochem S.A. in PLN thousand	3 698	10 076	2 713	26 256	-19 591	-28 454	-5 851
Change from previous year by:	-	172.5 %	- 73.07 %	867.78%	-174.61%	-45.24%	79.44%

Net profit of Prochem S.A. in PLN thousand	8 043	14 008	6 280	526	-24 348	-25 593	-14 498
Change from previous year by:	-	74.2 %	- 55.17 %	- 91.63 %	-4728.90%	-5.11%	43.35%

Table 6 – Comparison of changes in the average remuneration of employees of the company who are not members of the Management Board or Supervisory Board in 2019 - 2025

The year	2019	2020	2021	2022	2023	2024	2025
Average monthly remuneration of employees of Prochem S.A.	7473	7982	8299	9155	9492	8839	9556
Change from previous year by:	-	+ 6.8 %	+3.97 %	10.31 %	3.68 %	-6.88 %	8.11 %

The average remuneration of the Company's employees is the average monthly total remuneration (base salary, bonuses, awards, allowances, non-cash benefits and all other components) paid to employees in a given calendar year (over a period of 12 months).

6.The amount of the remuneration from entities belonging to the Prochem S.A. Capital Group

The table below contains information on the amount of remuneration paid to the Members of the Management Board for performing functions in the Management Boards and Supervisory Boards of companies belonging to the Prochem S.A. Capital Group in the years 2019, 2020, 2021, 2022, 2023, 2024, 2025.

6.1 The Management Board

Remuneration presented in PLN thousand

Member of the Management Board	subsidiary	Function performed	2019	2020	2021	2022	2023	2024	2025

Krzysztof Marczak	Elektromontaż Kraków S.A.	Member of the Supervisory Board	68	72	78	87,6	96	108	117,2
Krzysztof Marczak	Irydion Sp. z o.o.	President of the Management Board	-	-	-	45	-	-	-

6.2 The Supervisory Board

Remuneration presented in PLN thousand

Member of the Supervisory Board	Subsidiary	Function performed	2019	2020	2021	2022	2023	2024	2025
Marek Garliński	Elektromontaż Kraków S.A.	Member of the Supervisory Board	68	72	78	87,6	97,5	108,0	117,2
Jarosław Stępniewski	Elektromontaż Kraków S.A.	Member of the Supervisory Board	-	-	46	103,5	115,3	127,6	138,5
Marek Garliński	Predom Sp. z o.o.	Member of the Supervisory Board	17	18	14	-	-	-	-

7. Number of granted or offered financial instruments

In the company Prochem S.A. no financial instruments were granted in 2025.

8. Information on the use of the possibility of requesting a refund of variable remuneration components

The practice in the company as well as the remuneration policy adopted do not provide for the possibility to demand from members of the management board return of variable remuneration components.

9. Information on deviations from the procedure of implementing the remuneration policy and deviations applied pursuant to Art. 90f, including an explanation of the premises and mode and an indication of the elements from which the deviations were applied.

In the reporting period, there were no deviations to the remuneration policy implementation procedure. Also, no decisions were made regarding deviations from the assumptions of the remuneration policy, as well as in relation to individual elements of this policy applied in the Company.

10. Information on benefits for close persons for members of the Management Board and for members of the Supervisory Board

No such benefits were granted in the Company.

The remuneration report was drawn up by the Supervisory Board in order to meet the requirements set out in Art. 90 g section 1. of the Act on public offering.

11. Adoption of the remuneration report and certified auditor evaluation

The report for 2024 was subject to assessment by a certified auditor in terms of including the information required under Art. 90 g of section 1-5 and section 8 of the Act on Public Trading. The entity commissioned to evaluate the report is Misters Audytor Adviser, limited liability company.

Pursuant to Resolution No. 17 of the Annual General Meeting of Prochem S.A. of 27 June 2025, the Supervisory Board Report on the remuneration of members of the Management Board and the Supervisory Board for 2024 was approved.

The Report for 2025 was subject to assessment by a certified auditor to ensure it contained the information required under Article 90g, sections 1-5, and section 8 of the Act of Public Trading. The entity entrusted with assessment the Report was Misters Audytor Adviser, a limited liability company.

The Report will be made available on the Company's website.