



Report of the Supervisory Board of ERBUD S.A. on remuneration of the Management and the Supervisory Board members in 2022

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I. Introduction

This report concerning remuneration of the members of the Management and the Supervisory Boards of ERBUD S.A. (the “**Company**”) for the accounting year 2022 (the “**Report**”) was drawn up pursuant to Article 90g of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of July 29, 2005 (Journal of Laws of 2022, item 2554) in conjunction with Article 32(2) of the Act of 16 October 2019 amending the Act on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies and certain other acts (Journal of Laws of 2022, item 2554) and includes a comprehensive review of the remuneration, including all benefits, received by or due and payable to individual members of the Management and Supervisory Board members in the accounting year 2022, in accordance with the remuneration policy for the Management and Supervisory Boards' members, adopted by virtue of Resolution No. 18/2020 of the Company's Ordinary General Meeting of Shareholders dated 30 June 2020 and Resolution No. 58/2020 of the Supervisory Board dated 4 September 2020 (the “**Remuneration Policy**”).

As the remuneration of the Management and the Supervisory Boards' members does not include cash and/or non-cash benefits granted for the benefit of their immediate family members, this report does not contain information on this subject.

The report is the third report of the Company prepared pursuant to Article 90g para. 1 et seq. of the Act on Public Offering. The Supervisory Board's report on the remuneration of the Members of the Management Board and the Supervisory Board for the year 2021 was positively reviewed by the General Meeting of Shareholders of ERBUD S.A. on 20 May 2022 - Resolution No. 20/2022 - pursuant to Article 395 § 21 of the Code of Commercial Companies and Partnerships in conjunction with Article 90g section 6 of the Act on Public Offering and the Conditions for Introducing Financial Instruments to an Organised Trading System and on Public Companies, and pursuant to § 9 section 4 of the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board.

All remuneration figures in this Report are expressed in gross terms.

Included in wages and salaries is the employer's portion paid to Employee Capital Plan (PPK), with the Issuer paying for the Employee Capital Plan on a standard, non-enhanced basis.

II. Composition of the Management and Supervisory Boards

During the period covered by the Report, the composition of the Management and Supervisory Boards was as follows:

Management Board composition

Name and surname	Function	Term of office in 2022
Dariusz Grzeszczak	President of the Management Board	01.01.2022 – 31.12.2022
Agnieszka Głowacka	Vice-President of the Management Board	01.01.2022 – 31.12.2022
Jacek Leczkowski	Vice-President of the Management Board	01.01.2022 – 31.12.2022
Radosław Górski	Member of the Management Board	01.01.2021 – 27.06.2022

Supervisory Board composition

Name and surname	Function	Term of office in 2022
Roland Bosch	Chairman of the Supervisory Board	01.01.2022 – 31.12.2022
Gabriel Głowka	Deputy Chairman of the Supervisory Board	01.01.2022 – 31.12.2022
Albert Dürr	Member of the Supervisory Board	01.01.2022 – 31.12.2022
Michał Otto	Member of the Supervisory Board	01.01.2022 – 31.12.2022
Janusz Reiter	Member of the Supervisory Board	01.01.2022 – 31.12.2022
Beata Jarosz	Member of the Supervisory Board	01.01.2022 – 31.12.2022
Michał Wosik	Member of the Supervisory Board	01.01.2022 – 31.12.2022

III. The total remuneration amount broken down by individual items and the mutual proportions between these remuneration items

During the period covered by drawn up Report, the Company ERBUD SA paid the following remuneration totals to the persons covered by the Remuneration Policy:

		<u>2022</u>					
<u>Name and surname</u>	<u>Function</u>	<u>Fixed remuneration 2022 in full Polish zlotys broken down into:</u>					
Dariusz Grzeszczak	President of the Management Board	Employment contract/management contract	Additional insurance	Health care	Membership in organisations	Education	Benefit system
		PLN 1 856 764.80	PLN 17 336.52	PLN 1 932.00	PLN 0.00	PLN 0.00	PLN 0.00
		<u>Variable remuneration 2022 in full Polish zlotys broken down into:</u>					
		Bonus for 2021 under the employment contract/management contract	Awards	Special bonuses	Ratio of fixed to variable remuneration		
		PLN 5 443 293.41	PLN 0.00	PLN 0.00	Fixed remuneration: PLN 1 876 033.32 = 25.63%; variable remuneration: PLN 5 443 293.41 = 74.37%		
Estimated variable remuneration payable for 2022 to be paid upon approval of the 2022 Financial Statements in PLN	PLN 439 787.60						
<u>Name and surname</u>	<u>Function</u>	<u>Fixed remuneration 2022 in full Polish zlotys broken down into:</u>					
Agnieszka Głowacka	Vice-President of the Management Board	Employment contract/management contract	Additional insurance	Health care	Membership in organisations	Education	Benefit system
		PLN 678 000.00	PLN 2 760.00	PLN 1 932.00	PLN 0.00	PLN 7 390.00	PLN 0.00
		<u>Variable remuneration 2022 in full Polish zlotys broken down into:</u>					
		Bonus for 2021 under the employment contract/management contract	Awards	Special bonuses	Ratio of fixed to variable remuneration		
		PLN 1 360 823.35	PLN 0.00	PLN 0.00	Fixed remuneration: PLN 690 082.00 = 33.65% ; variable remuneration: PLN 1 360 823.35 = 66.35%		

Estimated variable remuneration payable for 2022 to be paid upon approval of the 2022 Financial Statements in PLN		PLN 109 946,90					
Name and surname	Function	Fixed remuneration 2022 in full Polish zlotys broken down into:					
Jacek Leczkowski	Vice-President of the Management Board	Employment contract/management contract	Additional insurance	Health care	Membership in organisations	Education	Benefit system
		PLN 990 000.00	PLN 2 760.00	PLN 1 932.00	PLN 0.00	PLN 339 092.50	PLN 0.00
		Variable remuneration 2022 in full Polish zlotys broken down into:					
		Bonus for 2021 under the employment contract/management contract	Awards	Special bonuses	Ratio of fixed to variable remuneration		
					Fixed remuneration: PLN 1 333 784.50 = 28.42%; variable remuneration: PLN 3 360 000.00 = 71.58%		
Estimated variable remuneration payable for 2022 to be paid upon approval of the 2022 Financial Statements in PLN		PLN 349 697,97					
Name and surname	Function	Fixed remuneration 2022 in full Polish zlotys broken down into:					
Radosław Górski	Member of the Management Board	Employment contract/management contract	Additional insurance	Health care	Membership in organisations	Education	Benefit system
		PLN 1 320 229.44	PLN 32 192.24	PLN 5.00	PLN 0.00	PLN 0.00	PLN 0.00
		Variable remuneration 2022 in full Polish zlotys broken down into:					
		Bonus for 2021 under the employment contract/management contract	Awards	Special bonuses	2022 Bonus compensation paid in 2022	Ratio of fixed to variable remuneration	
					Fixed remuneration:		
		PLN 452 056.59	PLN 0.00	PLN 0.00	PLN 190 000.00 ¹		

¹ Compensation for the bonus agreed between the parties for 2022, paid in 2022 - the value was included in the parties' agreement terminating the employment contract of 27.06.2022 between ERBUD SA and Mr Radosław Górski. The agreed amount of compensation as a bonus for 2022 was calculated on the basis of the projected consolidated net profit achieved by the service companies in Poland and abroad, the engineering segment and new businesses as of the date of signing the agreement referred to above, divided by 2 due to the termination of the employment relationship by agreement of the parties in the middle of the financial year (2022).

						PLN 1 352 428.73 = 67.81% ; variable remuneration: PLN 642 056.59 = 32.19%
Estimated variable remuneration payable for 2022 to be paid upon approval of the 2022 Financial Statements in PLN		PLN 0				

YEAR 2022		
Name and Surname	Function	Fixed remuneration (* including PPK)
Gabriel Głowka	Deputy Chairman of the Supervisory Board	PLN 86 400.00
Albert Dürr	Member of the Supervisory Board	PLN 73 080.00*
Michał Otto	Member of the Supervisory Board	PLN 72 000.00
Janusz Reiter	Member of the Supervisory Board	PLN 72 000.00
Michał Wosik	Member of the Supervisory Board	PLN 72 000.00
Roland Bosch	Chairman of the Supervisory Board	PLN 108 405.00*
Beata Jarosz	Member of the Supervisory Board	PLN 72 000.00

* Remuneration including PPK

IV. An explanation of how total remuneration is consistent with the Remuneration Policy, including how it contributes to the Company's long-term performance

Since the date of the Remuneration Policy coming into force, the Company granted and paid remuneration to the Management and Supervisory Board members exclusively on the grounds of the Remuneration Policy. The Remuneration Policy, within the scope regulated herein, has prevailed since then over other documents regulating the principles of remuneration of the beneficiaries covered by the Remuneration Policy, effective at the Company.

Since the date of the Remuneration Policy coming into force, the remuneration of the individuals covered by the Remuneration Policy took into account the objective criteria provided for in the Remuneration Policy and the pay and

working conditions of other Company personnel in the manner provided for in the Remuneration Policy. The applied principles of remuneration of the Management and Supervisory Boards' members contributed to the implementation of the Company's strategy and the set long-term goals by providing: (i) full engagement in the performance of functions in the Company, (ii) motivating the individuals subject to the Remuneration Policy to implement the Company's strategy and its long-term objectives, (iii) permanently binding the individuals subject to the Remuneration Policy with the Company, (iv) the amount of remuneration of the individuals subject to the Remuneration Policy which is adequate to the financial and business performance of the Group, including the Company and (v) attitudes which preclude the individuals subject to the Remuneration Policy from taking excessive risks in performing their functions.

Since the date of the Remuneration Policy coming into force, members of the Management Board were entitled to remuneration on the basis of contracts concluded with individual Management Board members. The contracts in question specify the amount and other terms of the fixed remuneration determined by the Supervisory Board, as well as the non-cash benefits that may be granted to a Management Board member.

Members of the Management Board are entitled to an Annual Bonus, the award and amount of which depend on the financial result achieved in the year in question by the Company, the Group or the companies over which the member of the Management Board supervises. The conditions for granting the Annual Bonus resulting from the employment contract/management agreement. The agreement between the Management Board member and the Company specifies the percentage of the specified financial result and, if the agreement so provides, the other conditions conditioning the award of the Annual Bonus.²

In the aforementioned period, members of the supervisory Board were granted monthly lump-sum remuneration exclusively on the grounds of and in the amount provided for in a resolution of the General Meeting of Shareholders. No variable remuneration applies to the Supervisory Board. Fixed remuneration is commensurate with the assigned scope of activities and functions performed, in proportion to the term of office of the certain function. The members of the Supervisory Board did not receive any remuneration (i) linked to the results of the Company or the Group, (ii) in the form of financial instruments or other non-cash benefits.

V. Information on how the performance criteria were applied

The variable remuneration of the members of the Management Board was granted in connection with their compliance with the criteria for obtaining variable remuneration as set forth in the Supervisory Board's Resolution No. 58/2020 of 4 September 2020 within the limits provided for in the Remuneration Policy.

Decisions regarding the allocation of variable remuneration to the Management Board members in the form of an annual bonus for 2021 to be paid after approval of the separate and consolidated financial statements for 2022 were preceded by individual verification of the fulfilment of the criteria with reference to individual Management Board

² Pursuant to the provisions of §2 and §3 of the Details of the Remuneration Policy for Members of the Bodies of the Company ERBUD SA - Resolution of the Supervisory Board No. 58/2020 of 04.09.2020.

members. The verification of the fulfilment of the criteria for obtaining variable remuneration in the form of an 2021 annual bonus was based on data from the approved Company's financial statements, Group member companies or companies supervised by the respective member, drawn up for the accounting year 2021, and laid grounds for awarding variable remuneration to the respective Management Board member.

NAME AND SURNAME	RULES FOR VARIABLE REMUNERATION CALCULATION (2021 and 2022)
<p>Dariusz Grzeszczak – President of the Management Board</p>	<p>Up to the amount of PLN 100 million of net profit of the Erbud Group - 4% of the net profit of the Erbud Group.</p> <p>Above PLN 100 million of net profit of the Erbud Group - 2% of net profit of the Erbud Group, on the exceeded amount.</p> <p>Pursuant to the Company's Remuneration Policy for members of governing bodies, variable remuneration may not exceed four times the fixed remuneration.</p> <p>If, as a result of a business event, the net result from such event does not appear in the consolidated result of the ERBUD Group as a result of consolidation adjustments, the Manager is entitled to additional remuneration on this net result, resulting from a non-recurring event not related to the ordinary course of business of the Company or companies for which the Manager is responsible, as long as this event will affect the cash flow of the Company/subsidiaries.</p>
<p>Agnieszka Głowacka – Vice-President of the Management Board</p>	<p>Up to the amount of PLN 100 million of net profit of the Erbud Group - 1% of the net profit of the Erbud Group.</p> <p>Above PLN 100 million of net profit of the Erbud Group - 0.5% of net profit of the Erbud Group, on the exceeded amount.</p> <p>Pursuant to the Company's Remuneration Policy for members of governing bodies, variable remuneration may not exceed four times the fixed remuneration.</p> <p>In the case when, as a result of a business event, the net result from this event as a result of consolidation adjustments does not appear in the consolidated result of the ERBUD Group, the Manager is entitled to additional remuneration from this net result. resulting from a non-recurring event not related to the ordinary course of business of the Company or the companies for which the Manager is responsible, as long as this event will have an impact on the cash flow of the Company / subsidiaries.</p>

<p>Jacek Leczkowski – Vice-President of the Management Board</p>	<p>3% up to PLN 100 million of net profit generated jointly by construction segment in Poland and consolidated net profit of ONDE Group</p> <p>Over PLN 100 million of net profit generated jointly by construction segment in Poland and consolidated net profit of ONDE Group – 1.5% of net profit on the exceeded amount³.</p> <p>Pursuant to the Company's Remuneration Policy for members of governing bodies, variable remuneration may not exceed four times the fixed remuneration.</p> <p>In the case when, as a result of a business event, the net result from this event as a result of consolidation adjustments does not appear in the consolidated result of the ERBUD Group, the Manager is entitled to additional remuneration from this net result. resulting from a non-recurring event not related to the ordinary course of business of the Company or the companies for which the Manager is responsible, as long as this event will have an impact on the cash flow of the Company / subsidiaries.</p>
<p>Radosław Górski – Member of the Management Board</p>	<p>Up to PLN 100 million of consolidated net profit generated by the service companies in Poland and abroad, ERBUD Industry sp. z o. o. and new businesses – 3%</p> <p>Over PLN 100 million of consolidated net profit generated by service companies in Poland and abroad, ERBUD Industry sp. z o. o. and new business - 1.5% of the exceeded amount.</p> <p>Pursuant to the Company's Remuneration Policy for members of governing bodies, variable remuneration may not exceed four times the fixed remuneration.</p> <p>If, as a result of a business event, the net result achieved on that event as a result of consolidation adjustments does not appear in the consolidated result of the ERBUD Group, the Member of the Management Board is entitled to additional remuneration on such net result. resulting from a non-recurring event not related to the ordinary course of business of the Company or companies for which the Member of the Management Board is responsible, as long as the event affects the cash flow of the Company / subsidiaries.</p> <p>In connection with the termination of the employment relationship on 27.06.2022 between ERBUD SA and Radosław Górski by mutual agreement of the parties, it was agreed that ERBUD SA would pay the following to Radosław Górski:</p> <ul style="list-style-type: none"> a) an additional, one-time payment of 12 times the Employee's gross monthly basic remuneration, less any mandatory public charges;

³ Annual bonus for 2021 takes into account ONDE SA standalone net profit, annual bonus for 2022 takes into account ONDE consolidated profit (group of companies)

	<ul style="list-style-type: none">b) an allowance for unused annual leave (including outstanding leave);c) compensation for the annual bonus for the financial year 2022 in the amount of PLN 190,000 gross - the agreed amount in the agreement with the Employee was calculated on the basis of the projected consolidated net profit generated by the service companies in Poland and abroad, the engineering segment and the new businesses at the time of signing the agreement, divided by 2 due to the termination of the employment relationship by mutual agreement in the middle of the financial year (2022).
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In the period for which the Report was drawn up, the Management Board members were awarded variable remuneration in the form of an annual bonus and a payment resulting from agreement termination on the basis of parties' understanding.⁴

The 2021 bonus was paid after the approval of the report for 2021 by the General Meeting of Shareholders and was included under: variable remuneration paid in 2022.

The Supervisory Board members are not remunerated on the basis of performance criteria.

⁴ Radosław Górski

VI. Information about changes, on an annual basis, in remuneration, the Company's performance and the average remuneration of the Company's employees who are not members of the management or supervisory boards, during at least the last five accounting years

The amount of total remuneration (from ERBUD SA and ERBUD Group companies) paid to Members of the Management Board and the Supervisory Board of ERBUD SA 2018-2022

Remuneration of the Management Board members is presented on a cash basis (including remuneration received within the ERBUD Group). This applies in particular to the variable remuneration due for a given financial year, which is paid in the second half of the following year.

Name and surname	Function	% change 2022/2021	2022	% change 2021/2020	2021	% change 2020/2019	2020	% change 2019/2018	2019	% change 2018/2017	2018
Dariusz Grzeszczak	President of the Management Board	+87%	7 713 326	+10%	4 119 197	+20%	3 735 798	+43%	3 110 713	+86%	2 168 029
Agnieszka Głowacka	Vice-President of the Management Board	+69%	2 298 905	+8%	1 360 559	+74%	1 263 938	-10%	724 332	+62%	796 591
Jacek Leczkowski	Vice-President of the Management Board	+104%	5 013 784	-24%	2 453 545	Not applicable	3 432 612	Not applicable	Not applicable	Not applicable	Not applicable
Radosław Górski	Member of the Management Board until 27.06.2022	+76%	1 994 485	+432%	1 133 650	Not applicable	213 153	Not applicable	Not applicable	Not applicable	Not applicable
Gabriel Głowka	Deputy Chairman of the Supervisory Board	+7%	86 400	+12%	80 400	0%	72 000	0%	72 000	0%	72 000
Udo Berner	Chairman of the Supervisory Board until 08.09.2021	Not applicable	Not applicable	+68%	63 000	-58%	37 500	-50%	90 000	0%	180 000
Albert Dürr	Member of the Supervisory Board	+7%	73 080	+12%	68 005	+1%	60 900	0%	60 150	0%	60 000
Piotr Kaczmarek	Member of the Supervisory Board until 11.05.2021	Not applicable	Not applicable	-58%	25 375	+1%	60 900	+61%	60 150	Not applicable	37 258
Michał Otto	Member of the Supervisory Board	+22%	158 000	+115%	129 143	0%	60 000	0%	60 000	0%	60 000

Name and surname	Function	% change 2022/2021	2022	% change 2021/2020	2021	% change 2020/2019	2020	% change 2019/2018	2019	% change 2018/2017	2018
Janusz Reiter	Member of the Supervisory Board	+7%	72 000	+12%	67 000	0%	60 000	0%	60 000	0%	60 000
Michał Wosik	Member of the Supervisory Board	+59%	72 000	Not applicable	45 387	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Roland Bosch	Chairman of the Supervisory Board	+932%	108 405	Not applicable	10 500	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Beata Jarosz	Member of the Supervisory Board	+929%	72 000	Not applicable	7 000	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Performance of ERBUD CG companies in PLN in 2018-2022

Financial year	% change 2022/2021	2022	% change 2021/2020	2021	% change 2020/2019	2020	% change 2019/2018	2019	2018
Net profit of ERBUD S.A.	-83.5%	29 300 018.54	+551%	177 736 302.25	+46%	27 308 332.00	+253%	18 691 264.28	-12 254 355.09
Consolidated net profit	-48.5%	10 994 689.96	-58%	21 338 889.07	+44%	50 372 820.03	+266%	35 042 589.01	-21 135 696.59

Average remuneration of the Company's employees who were not Management and Supervisory Boards' members from 2018 to 2022

Financial year	% change 2022 / 2021	2022	% change 2021 / 2020	2021	% change 2020 / 2019	2020	% change 2019 / 2018	2019	% change 2018 / 2017	2018
Total annual remuneration for other personnel members	9%	91 830 085	-2%	83 956 466	19%	85 807 062	9%	72 093 993	12%	66 081 733
Financial year	% change	2022	% change	2021	% change	2020	% change	2019	% change	2018
Average monthly remuneration for other personnel members	6%	10 003	1%	9 403	23%	9 335	6%	7 576	13%	7 161

Taking into account the size of the criteria that determine the amount of bonuses of individual Management Board members due for 2022, and in accordance with the Employment Agreements paid after the approval of the consolidated statement by the General Meeting of Shareholders of the ERBUD Group, i.e. mid-year 2023, the estimated bonuses for 2022 of individual members of the Management Board of ERBUD S.A. will be as follows:

<u>NAME AND SURNAME</u>	<u>FUNCTION</u>	<u>ESTIMATED LEVEL OF VARIABLE REMUNERATION IN PLN.</u>
<u>Dariusz Grzeszczak</u>	<u>President of the Management Board</u>	<u>439 787.60</u>
<u>Agnieszka Głowacka</u>	<u>Vice-President of the Management Board</u>	<u>109 946.90</u>
<u>Jacek Leczkowski</u>	<u>Vice-President of the Management Board</u>	<u>349 697.97</u>
	<u>TOTAL</u>	<u>899 432.47</u>

VII. Remuneration from entities belonging to the same capital group

During the period covered by the Report, the persons covered by the Remuneration Policy were paid the following fees (in PLN) for consulting services (B2B agreements) and for being member of the Supervisory Board of ONDE SA by companies of the Company's capital group:

2022 ⁵			
Name and surname	Erbud Shared Services Sp. z o.o.	ONDE SA	TOTAL
Dariusz Grzeszczak	394 000.00	0.00	394 000.00
Agnieszka Głowacka	162 000.00	86 000.00	248 000.00
Jacek Leczkowski	210 000.00	110 000.00	320 000.00
Michał Otto	0.00	86 000.00	86 000.00

VIII. The number of financial instruments granted or offered and the fundamental terms and conditions for the exercise of the rights attached to those instruments, including the price and exercise date and changes thereto

During the period covered by the Report, the Company did not operate an incentive scheme under which financial instruments of the Company were granted or offered to individuals covered by the Remuneration Policy.

IX. Information on the use of the option to claim back variable remuneration items

During the period covered by the Report, the Company did not address any requests for reimbursement of variable remuneration components to the individuals covered by the Remuneration Policy.

X. Information on deviations from the procedure for implementation of the remuneration policy and on the applied deviations from the Remuneration Policy, including an explanation of the rationale and procedure, and indication of the elements from which deviations were applied.

In 2022, an educational benefit was granted to Mr Jacek Leczkowski (Vice-President of the Management Board of ERBUD SA), in addition to the Remuneration Policy. The Company plans to soon reprocess the introduction of an additional benefit in the form of educational benefit to the Remuneration Policy as a supplementary element of the additional benefits specified in §9 of the Remuneration Policy (approved by the Supervisory Board on 04.09.2020 - Resolution No. 58/2020 of the Supervisory Board).

Warsaw, 24 April 2023

Chairman of the Supervisory Board

Roland Bosch

⁵ The above amounts are included in the table section VI, page 11 and 12 of this report
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