

Resolution No. 1/2022
of the Supervisory Board of SECO/WARWICK S.A. with its registered office in Świebodzin
of April 28, 2022

on the adoption of the annual remuneration report presenting a comprehensive overview of remuneration in the Company

Considering that Seco/Warwick S.A. (the "Company") has a Remuneration Policy adopted by Resolution No. 21 of the Ordinary General Meeting of the Company on the adoption of the Remuneration Policy for members of the Management Board and Supervisory Board of Seco/Warwick S.A. of June 5, 2020, subsequently amended by Resolution No. 20 of the Ordinary General Meeting of the Company on the adoption of the amended Remuneration Policy for members of the Management Board and Supervisory Board of Seco/Warwick S.A. of June 10, 2021, acting pursuant to Article 90g of the Act of July 29, 2005, on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (**the "Act on Public Offering"**) in reference to Resolution No. 13 of the Supervisory Board of April 21, 2022, the Supervisory Board hereby resolves as follows:

1. The Supervisory Board approves the report on the remuneration of the members of the Management Board and Supervisory Board of Seco/Warwick S.A. for 2021, taking into account the changes reported by the auditor KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., which constitutes an appendix to this Resolution.
2. The Supervisory Board accepts the Declaration Letter, which constitutes an Appendix to this Resolution.
3. The Supervisory Board of the Company resolves to authorize the Chairman of the Supervisory Board of the Company to sign this resolution.
4. The resolution shall enter into force upon its adoption.

Appendix:

- report on the remuneration of members of the Management Board and Supervisory Board of Seco/Warwick S.A. for the year 2021
- letter of declaration

REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF SECO/WARWICK S.A. FOR 2021

The remuneration report ("Report") presenting a comprehensive overview of remuneration, including all benefits, regardless of their form, received by individual members of the Management Board and Supervisory Board (hereinafter collectively referred to as "Bodies") or due to individual members of the Bodies, was prepared by the Company's Supervisory Board pursuant to Article 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (the "Act on Public Offering") and based on the Company's remuneration policy adopted by the General Meeting of Shareholders on June 10, 2021 (the "Policy").

All terms used in the Report in capital letters have the meanings given to them in the Policy, unless defined otherwise in the Report. All values given in the following report are gross values.

The Report covers the year 2021. If information relating to financial years for which the Supervisory Board was not required to prepare the Report has not been indicated in the appropriate places, it has been provided on the basis of estimates or omitted.

INTRODUCTION

SECO/WARWICK S.A. (the "Company") was established on January 2, 2007, pursuant to a decision of the District Court in Zielona Góra, 8th Commercial Division of the National Court Register, which entered the Company in the register of entrepreneurs of the National Court Register under KRS number 0000271014.

The SECO/WARWICK Group's activities are divided into four main product groups:

- vacuum furnaces,
- aluminum heat treatment lines (Aluminum Process+ Controlled Atmosphere Brazing),
- melting furnaces,
- aftersales.

1. MEMBERS OF THE MANAGEMENT BOARD

As at the date of preparation of the Report, the Members of the Company's Management Board are:

- a) Sławomir Stanisław Woźniak – President of the Management Board – from January 2, 2017 to present;
- b) Bartosz Marek Klinowski - Member of the Management Board - from January 2, 2017 to present;
- c) Earl Good - Member of the Management Board - from June 5, 2019 to present;
- d) Piotr Józef Walasek - Member of the Management Board - from June 5, 2019 to present.

The member of the Management Board who served on the Management Board in 2021 was Jarosław Kamil Talerzak – from June 5, 2019, to April 27, 2021;

1.1 Information on remuneration paid by the Company to members of the Management Board

Name and surname/Position	Year	Fixed components Remuneration	Variable components Remuneration		Other monetary and non-monetary benefits	Total remuneration	proportions of remuneration of remuneration
			Bonus base (1)(2)	Annual bonus			
Sławomir Stanisław Woźniak – President of the Management Board	2021	480,000	318,000	18,667	28,138	844,805	57%/40%/3%
	2020	448,000	418,000	-	22,920	888,920	50%/ 47%/ 3%
Bartosz Marek Klinowski – Member of the Management Board	2021	360,000	173,000	14,000	27,868	574,868	63%/32%/5%
	2020	336,000	110,000	-	25,539	471,539	71%/ 23%/ 5%
Earl Good— Member of the Board (4)	2021	-	-	-	-	-	-/-/-
	2020	-	-	-	-	-	-/-/-
Piotr Józef Walasek— Member of the Management Board (3)	2021	360,000	208,000	14,000	27,708	609,708	59%/36%/5%
	2020	336,000	160,000	-	19,918	515,918	65%/ 31%/ 4%
Jarosław Kamil Talerzak/ former Member of the Management Board	2021	130,000	19,000	15,167	9,001	173,168	75%/20%/5%
	2020	364,000	117,400	-	25,667	507,067	72%/ 23%/ 5%

¹ The individual terms and conditions of the Base Award for each Member of the Management Board, on which the receipt of the Base Award depends, are subject to verification by the Supervisory Board. The terms and conditions of the Base Award are related to individual tasks, financial or non-financial objectives. ² The amount of the Annual Award is specified in the employment contract of the Member of the Management Board. ⁽³⁾ In addition, Management Board Member Piotr Walasek received PLN 7,712 in 2020 and PLN 9,137 in 2021 under the Employee Plans. ⁽⁴⁾ Remuneration paid by entities belonging to the Capital Group (in point 1.2)

Information on financial instruments granted to Management Board Members by the Company under the Incentive Program referred to in section 1.12 of the Remuneration Policy

The Company may grant remuneration to Members of the Management Board under incentive programs, including those based on granting remuneration to Members of the Management Board in the form of financial instruments. The periods for acquiring the right to remuneration in the form of financial instruments and the rules for their disposal are specified in the relevant incentive program regulations. During the reporting period, the Company operated an Incentive Program for 2018-2020, which entitles Management Board Members to receive Company shares. The terms and conditions of the Incentive Program for 2018-2020 are set out in the Program Regulations adopted by way of:

(i) Resolution No. 20 of the General Meeting of the Company dated April 11, 2018, and (ii) Resolution No. 22 of the General Meeting of the Company dated June 5, 2019, to which the consolidated text of the 2018-2020 Incentive Program Rules is attached. Remuneration under the Incentive Program is issued to the program participant in the form of options to purchase company shares at an exercise price of PLN 1.5 per share

First and last name	Position	Year	Number of financial instruments granted	Date of granting financial instruments	Price of financial instruments on the date of granting
Sławomir Stanisław Woźniak	President	2021	36,273	September 22, 2021	PLN 15.60/unit
		2020	11,911	October 30, 2020	PLN 13.60/item
Bartosz Marek Klinowski	Member of the Management Board	2021	12,091	September 22, 2021	PLN 15.60/share
		2020	11,911	October 30, 2020	PLN 13.60/item
Earl Good	Member of the Management Board	2021	19,894	September 22, 2021	PLN 15.60/share
		2020	-	-	-
Piotr Józef Walasek	Member of the Management Board	2021	September 12	September 22, 2021	PLN 15.60/unit
		2020	3,970	October 30, 2020	PLN 13.60/item

1.2 Information on remuneration of Management Board members paid by entities belonging to the capital group within the meaning of the Accounting Act of September 29, 1994 (Journal of Laws of 2019, items 351, 1495, 1571, 1655, and 1680, and of 2020, items 568) ("Capital Group")

Name and surname/ Position	Year	Fixed components Remuneration	Variable components of remuneration		Other monetary and non- monetary benefits	Total remuneration	proportions of remuneration of remuneration
			Bonus base	Annual Annual			
Earl Good- Member of the Management Board (1)	2021	925,542	236,419	-	-	1,161,961	80%/20%/0%
	2020	968,287	156,181	-	-	1,124,468	86%/ 14%/ 0%

¹ In addition, Board Member Earl Good received \$8,680 in 2020 and \$9,277 in 2021 under the Company Group's (Retech Systems LLC) pension plan.

The other members of the Management Board did not receive any remuneration paid by entities belonging to the Company's Capital Group.

2. Supervisory Board

In 2021, the composition of the Supervisory Board was as follows:

- Andrzej Jan Zawistowski, Chairman of the Supervisory Board;
- Henryk Walter Pilarski - Vice-Chairman of the Supervisory Board;
- Jeffrey William Boswell, Member of the Supervisory Board;
- Marcin Michał Murawski, Member of the Supervisory Board;
- Jacek Tomasz Tucharz – Member of the Supervisory Board.

2.1 Information on remuneration paid by the Company to members of the Supervisory Board

First and last name/ Position	Year	Fixed Remuneration on components	Variable remuneration Remuneration	Provision of consulting services	Other Cash and non-cash benefits	Total remuneration	proportions of remuneration of remuneration
Andrzej Jan Zawistowski- Chairman RN	2021	111,254	85,052	120,000	8,746	325,052	34%/26%/37%/3%
	2020	106,001	32,840	64,000	7,999	210,840	50%/ 16%/ 30%/4%
Henryk Walter Pilarski – Vice- Chairman of the Supervisory Board	2021	54,000	-	-	-	54,000	100%/ 0%/ 0%/0%
	2020	51,300	-	-	-	51,300	100%/ 0%/ 0%/0%
Jeffrey William Boswell – Member of the Supervisory Board (2)	2021	-	-	-	-	-	0%/ 0%/ 0%/0%
	2020	-	-	-	-	-	0%/ 0%/ 0%/0%
Marcin Michał Murawski- Member of the (1)	2021	42,000	-	-	2,663	44,663	94%/0%/0%/6%
	2020	39,900	-	-	-	39,900	100%/ 0%/ 0%/0%
Jacek Tomasz Tucharz – Member of the Supervisory Board (1)	2021	42,000	-	-	259	42,259	99%/0%/0%/1%
	2020	39,900	-	-	-	39,900	100%/ 0%/ 0%/0%

¹ In addition Supervisory Board members Marcin Murawski and Jacek Tucharz received PLN 630 under the Employee Capital Plans in 2021 and PLN 556 in 2020. (²) Remuneration paid by entities belonging to the Capital Group (

PLN 630 in 2021 and PLN 556 in 2020 under the Employee Capital Plans. ² Remuneration paid by entities belonging to the Capital Group (in point 2.2)

Members of the Supervisory Board do not receive financial instruments.

2.2 Information on remuneration of members of the Supervisory Board paid by entities belonging to the Company's Capital Group

Name and surname/ Position	Year	Fixed Remuneration on components	Variable remuneration Remuneration	Provision of consulting services	Other Cash and non-cash benefits	Total remuneration	proportions of remuneration of remuneration
Jeffrey William Boswell – Member of the Supervisory Board	2021	169,281	-	-	-	169,281	100%/ 0%/ 0%/0%
	2020	135,487	-	-	-	135,487	100%/ 0%/ 0%/0%

Other members of the Supervisory Board did not receive remuneration paid by entities belonging to the Company's Capital Group.

3. OTHER ISSUES RELATED TO THE REMUNERATION OF THE COMPANY'S BODIES

3.1 Information on changes, on an annual basis, in remuneration, company results, and the average remuneration of company employees who are not members of the bodies, over at least the last five financial years

annual change	2016 to 2015	2017 to 2016	2018 to 2017	2019 to 2018	2020 to 2019	2021 to 2020	2021
Change in remuneration of Management Board members (Y/Y)							
First and last name							
Sławomir Stanisław Woźniak – President of the Management Board	-	-	15.60	8.99	30.40	-4.96%	844,805
Bartosz Marek Klinowski – Member of the Management Board	-	-	48.52%	-71.54%	-25.44%	21.91%	574,868
Earl Good – Member of the Management Board	-	-	-	-	7.47%	3.33%	1,162,000
Piotr Józef Walasek – Member of the Management Board	-	-	-	-	3.38	18.18%	609,708
Jarosław Kamil Talerzak – former Vice-President of the Management Board	-	-	-	-	-12.81%	-65.85%	173,167
change in remuneration of Supervisory Board members (Y/Y)							
Andrzej Jan Zawistowski- Chairman of the Supervisory Board	11.66	-8.78	6.82	-0.92%	-3.40	54.17	325,052
Henryk Walter Pilarski – Vice-Chairman Chairman of the Supervisory Board	0	0	0	0	-5.26%	5.26	54,000
Jeffrey William Boswell – Member of the Supervisory Board	21.12%	-6.62%	-2.72	10.91	-22.22%	24.94	169,281
Marcin Michał Murawski – Member of the Supervisory Board	-	0	0	0	-5.26%	11.94%	44,663
Jacek Tomasz Tucharz – Member of the Supervisory Board	-	-	-	-	-5.26%	5.91%	42,259
change in the Company's results and average remuneration of Company employees who are not members of the Management Board (Y/Y)							
change in the Company's revenues	N/A	N/A	5.45	-7.53	-8.03	16.13	275,226,142
change in the Company's net profit	N/A	N/A	-12.54	-26.41	-26.02	5.96	8,324,846
average employee salary	N/A	N/A	-0.25%	4.10	-19.83	31.40	105,320

*data refers to the years in which SECO/WARWICK S.A. was a holding company

3.2 The value of cash or non-cash benefits granted to the closest relatives of members of the Governing Bodies, i.e. spouse, ascendants, descendants, siblings, relatives in the same line or of the same degree, persons in an adoptive relationship and their spouses, as well as persons in a cohabiting relationship ("Close Person"), included in the remuneration of members of the Governing Bodies, if granted.

As part of the remuneration of members of the Management Board, no cash or non-cash benefits have been granted to the closest relatives of members of the Management Board, with the exception of benefits such as medical insurance.

The above-mentioned benefits are enjoyed by the closest persons of the following members of the Management Board: Sławomir Woźniak, Bartosz Klinowski, Piotr Walasek, and members of the Supervisory Board: Andrzej Zawistowski.

The total value of benefits for the closest relatives of members of the Management Board does not exceed PLN 50,000 per year per member of the Management Board. The above amount does not include the remuneration of the closest relatives if they receive remuneration for their work or services provided to the Company or companies from the Group.

3.3 Explanation of how the total remuneration is consistent with the adopted remuneration policy, including how it contributes to the achievement of the company's long-term results.

When determining the amount of remuneration, the Company's Policy and the implementation of the business strategy for the Company's operations, the long-term interests assumed by the Company, and the maintenance of the Company's stability were taken into account.

The introduction of transparent and uniform rules for remunerating members of the Governing Bodies in connection with their functions, linking the remuneration rules for Management Board members to the Company's financial results, and specifying the fixed components of Management Board members' remuneration and the incentive components of remuneration, minimized the risk of conflicts of interest among members of the Management Board. The identification of consistent remuneration system rules within the Policy has contributed to the implementation of the Company's business strategy, long-term interests, and stability.

3.4 Information on how the performance criteria were applied.

The award criteria are related to the achievement of management objectives. Based on the provisions of the Policy, members of the Management Board received variable remuneration in the form of a Base Award and an Annual Award. The individual terms and conditions of the Base Award for each Management Board member, on which the receipt of the Base Award depended, were subject to verification by the Supervisory Board. The terms and conditions of the Base Award are related to individual tasks, financial or non-financial objectives. The amount of the Annual Award is specified in the Management Board member's employment contract. In addition, Management Board members received Company shares under the Incentive Program. For each Management Board member, this remuneration was individually dependent on their financial and non-financial results, as well as the financial and non-financial results achieved by the Company.

The amount of variable remuneration was determined by resolutions of the Supervisory Board. When assessing the individual performance of Management Board members, financial and non-financial criteria specified in the employment contracts of individual Management Board members, resolutions of the Supervisory Board or relevant regulations were taken into account.

The financial criteria taken into account in the assessment of the results of Management Board members include, among others:

- a) the Company's financial results;
- b) the financial results of projects for which the Management Board member was responsible.

The non-financial criteria taken into account in the assessment of the performance of Management Board members include the implementation of, among others:

- a) the Company's short- and long-term business strategy;
- b) strategic objectives related to projects implemented by the Company;
- c) specific activities related to the Company's current operations, in particular in areas of the Company's operations for which the Member of the Management Board was responsible;
- d) individually defined activities and objectives related to specific entities or projects.

In order to conduct an individual assessment of the fulfillment of the criteria, the Supervisory Board assessed individual Management Board Members on the basis of and within the framework of the criteria specified in employment contracts, resolutions of the Supervisory Board, or relevant regulations. The criteria specified in the above documents were intended to ensure the long-term commitment of Management Board members to the Company's activities and were motivational in nature, related to the individual and specific objectives and tasks of individual Management Board members.

3.5 Information on the use of the option to request the return of variable components remuneration.

The rules for the payment of variable remuneration components to members of the Management Board do not contain provisions allowing the Company to demand the return of variable remuneration components.

3.6 Information on deviations from the procedure for implementing the Policy and deviations applied in accordance with Article 90f of the Act on Public Offering, including an explanation of the grounds and procedure, and an indication of the elements from which deviations were applied.

The Supervisory Board has not identified any deviations from the application of the Policy referred to in Article 90f of the Act on Public Offering.

3.7 Final issues

- 3.7.1 The report will be reviewed by a certified auditor with regard to the information referred to in Article 90g of the Act on Public Offering.
- 3.7.2 The Company will publish the Report on its website and make it available free of charge for at least 10 years from the end of the General Meeting of Shareholders at which the resolution approving the Report is adopted. The resolution will be of an advisory nature.
- 3.7.3 On June 10, 2021, the Ordinary General Meeting of Shareholders of SECO/WARWICK S.A. with its registered office in Świebodzin, acting pursuant to Article 90g(6) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, gave a positive opinion on the Supervisory Board's report on the remuneration of the members of the Management Board and Supervisory Board of SECO/WARWICK S.A. for the year ended December 31, 2020. Pursuant to Resolution No. 8, the AGM did not raise any objections to the content of the Supervisory Board's report on the remuneration of members of the Management Board and Supervisory Board of SECO/WARWICK S.A. for the year ended December 31, 2020.