

Resolution No. 5/2013
of the Supervisory Board of SECO/WARWICK S.A. of Świebodzin
dated April 25th 2013

concerning: *review and approval of the report of the SECO/WARWICK S.A. Supervisory Board on its activities in 2012*

Acting pursuant to Art 395.2.3 of the Commercial Companies Code, the Supervisory Board of SECO/WARWICK Spółka Akcyjna submits its report on the supervision of the Company's operations in 2012.

Report of the Supervisory Board
of SECO/WARWICK S.A. of Świebodzin
on its activities in 2012

1. The Supervisory Board of SECO/WARWICK Spółka Akcyjna operated in the reporting period as the Supervisory Board of the second term of office, composed of:

- from January 1st to May 28th 2012

1. Jeffrey Bosswell
2. Henryk Pilarski
3. Piotr Kowalewski
4. Piotr Jerzy Kula
5. Artur Rusiecki
6. Mariusz Czaplicki

- from May 28th to November 28th 2012

1. Andrzej Zawistowski
2. Jeffrey Bosswell
3. Jim Goltz
4. Henryk Pilarski
5. Piotr Jerzy Kula
6. Piotr Kowalewski
7. Mariusz Czaplicki

- from November 28th to December 31st 2012

1. Andrzej Zawistowski
2. Jeffrey Bosswell
3. Jim Goltz
4. Henryk Pilarski
5. Gutmann Habig
6. Zbigniew Rogóż

2. In the reporting period, the Supervisory Board exercised ongoing supervision over all areas and aspects of the Company's operations.

3. Over the financial year, the Supervisory Board reviewed the Company's financial performance, assessed – on a regular basis – the Company's economic standing, and deliberated on the opportunities and scope of the Company's future development, as proposed by the Management Board.

4. The Supervisory Board held 5 meetings in the reporting period.

MEETINGS OF THE SUPERVISORY BOARD IN 2012

The work of the Supervisory Board focused on reviewing and assessing:

- ❖ the Company's investment plans,
- ❖ development of the Company's organisational structure,
- ❖ the Company's budgets,
- ❖ the Company's strategy.

At its meeting on January 12th 2012, the Supervisory Board appointed Mr Paweł Wyrzykowski to the position of President of the Management Board, with effect as of February 1st 2012. On this occasion, the Supervisory Board reviewed the Company's and the Group's financial performance for 2011 and discussed their further prospects until the end 2012. In addition, it discussed the strategic activities undertaken in the first quarter of 2012, as well as those planned until the end of 2012 and for the following years. The effectiveness of foreign-exchange risk hedging policy, including forward contracts for individual currency pairs, was also discussed, as was the preparation of the publication of financial results for 2011, with a focus on the extended scope of disclosures relating to the Group companies, segmental information and R&D activities.

At its meeting held on April 27th 2012, the Supervisory Board

became acquainted with the preparations to the General Meeting, adopted all the required documents and discussed current affairs related to the Company's operations. The Supervisory Board made decisions on bonuses for members of the SECO/WARWICK S.A. Management Board for 2011, as well as considered and issued opinions on the resolutions passed by the SECO/WARWICK S.A. Management Board on the establishment of criteria related to an increase in the Company's share price relative to the WIG index in 2011. It considered and issued opinions on the resolution of the SECO/WARWICK S.A. Management Board not to prepare the list of persons eligible to acquire subscription warrants under the Incentive Scheme for 2011.

It adopted a resolution not to prepare the list of persons eligible to acquire subscription warrants under the Incentive Scheme for 2011, with regard to Mr Leszek Przybysz, President of the Management Board, and Mr Wojciech Modrzyk, Vice-President of the Management Board.

At its meeting of May 28th 2012, the Supervisory Board changed its composition. Mr Andrzej Zawistowski became the new Chairman of the Supervisory Board. At the meeting, the Supervisory Board discussed the operations and financial standing of the Seco/Warwick Group and its prospects until the end of 2012 (separately for the parent and for subsidiaries, associated/joint venture companies, and in the context of the budget).

Progress of the investment projects implemented by the Seco/Warwick Group was also discussed.

At its meeting on September 19th 2012, the Supervisory Board discussed the current operations and financial standing of the Seco/Warwick Group, and its prospects until the end of 2012 (separately for the parent and for subsidiaries, associated/joint venture companies, and in the context of the budget). President of the Management Board presented the SWIM 13 Project.

The Supervisory Board reviewed the Company's strategic plans adopted until the end of 2012 and for the following years (including possible mergers and acquisitions). In addition, the Stock Option Plan was reviewed and approved.

On December 13th 2012, the Supervisory Board met for the first time since its composition was changed by the Extraordinary General Meeting to discuss the current operations and financial standing of the Seco/Warwick Group and its prospects until the end of 2012 (separately for the parent and for subsidiaries, associated/joint venture companies, as well as in the context of the budget). The Management Board presented the budget for 2013, along with the Business Plan for 2013-2016.

The Supervisory Board became acquainted with the progress of the SWIM 13 Project. The current status of the project implementation strategy was discussed in reference to foreign companies. The Supervisory Board introduced changes to the Management Board, by appointing Mr Wojciech Modrzyk and Mr Jarosław Talerzak to the positions of Vice-Presidents, with effect as of January 1st 2013. The Supervisory Board also approved the Stock Option Plan, and became acquainted with the strategy in the areas of: A/P Thermal - presented by Vice-President Jarosław Talerzak - and HR - presented by Director O. Bystrzyński.

In 2012, pursuant to Par. 19.6 of the Rules of Procedure of the Supervisory Board and Art.38s.4 of the Commercial Companies Code, the Supervisory Board also communicated by means of remote communication.

In 2012, an Audit Committee operated within the Supervisory Board, as the analytical and controlling body, according to the Rules of Procedure of the Supervisory Board and the guidelines set out in the Code of Best Practice of WSE-Listed Companies.

The Audit Committee comprised:

1. Henryk Pilarski,
2. Piotr Kowalewski,
3. Piotr Jerzy Kula,
4. Artur Rusiecki,
5. Mariusz Czaplicki.

In the reporting period, the meetings held by the Audit Committee were correlated with the meetings of the Supervisory Board. In 2012, the Audit Committee of the SECO/WARWICK S.A. Supervisory Board reviewed all information regarding the Company that was intended for publication. In the reporting period, the Audit Committee held a number of meetings, and also met with

representatives of the Management Board and Company employees.

The Audit Committee's work focused on the following issues:

1. Monitoring of the auditor's review of financial statements;
2. Reviewing the auditor's findings;
3. Reviewing the Management Board's information on internal control systems at the Company.

CONCLUSIONS:

In performance of its obligations stipulated in the Commercial Companies Code and the Company's Articles of Association, the Supervisory Board - having reviewed and assessed the Directors' Report on the Company's operations - adopted resolutions concerning:

1. assessment and approval of the financial statements of SECO/WARWICK Spółka Akcyjna for 2012.
2. assessment and approval of the Directors' Report on the operations of SECO/WARWICK Spółka Akcyjna in 2012.
3. assessment of the Management Board's proposal regarding distribution of profit for 2012.

The Supervisory Board prepared, adopted and resolved to submit to the General Meeting this Report on its activities in 2012,

as well as the report on the assessment of the Company's financial statements and the Directors' Report on the Company's operations.

The Supervisory Board submits these resolutions to the General Meeting of SECO/WARWICK Spółka Akcyjna for approval.

While submitting the above resolutions and reports to the General Meeting, the Supervisory Board requests it to:

1. grant discharge to members of the Management Board in respect of performance of their duties in 2012, and
2. grant discharge to members of the Supervisory Board in respect of performance of their duties in 2012.

This resolution becomes effective as of its date.

The resolution was adopted by an open ballot.

List of members of the Supervisory Board present:

Votes in favour of the resolution: _____

Votes against the resolution: _____

Abstaining votes: _____