

Resolution No. 5/2014
of the Supervisory Board of SECO/WARWICK S.A. of Świebodzin,
dated April 29th 2014

concerning: *review and approval of the report of the SECO/WARWICK S.A. Supervisory Board on its activities in 2013*

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 2013.

Report of the Supervisory Board
of SECO/WARWICK S.A. of Świebodzin
on its activities in 2013

1. In the reporting period, the Supervisory Board of SECO/WARWICK Spółka Akcyjna operated as the Supervisory Board of the second term of office, composed of:
 1. Andrzej Zawistowski
 2. Jeffrey Boswell
 3. Jim Goltz
 4. Henryk Pilarski
 5. Gutmann Habig
 6. Zbigniew Rogóż
 7. Witold Klinowski
2. In the reporting period, the Supervisory Board exercised ongoing supervision over the Company's operations in each field and area of its activity.
3. During the financial year, the Supervisory Board reviewed the Company's financial performance, regularly assessed the Company's economic standing, and held discussions on the Company's development potential and growth opportunities presented by the Management Board.
4. The Supervisory Board met four times in the reporting period.

MEETINGS OF THE SUPERVISORY BOARD IN 2013

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

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

During its meeting on February 21st 2013, the Supervisory Board reviewed the Company's and the Group's 2012 financial performance and the current level of new orders. The Supervisory Board also discussed progress on key strategic projects (in India, China, Brazil,

Russia and Germany), made a preliminary assessment of implementation and progress on the SWIM13 project and exchanged views on the new corporate website (www.secowarwick.com). The Supervisory Board also received briefings from key managing persons, Maciej Korecki (VP Vacuum) and Bartosz Klinowski (MD SWE), on strategies adopted within their respective areas of responsibility. The Supervisory Board passed nine resolutions concerning the Company's Management Board.

During its meeting on April 25th 2013, the Supervisory Board became acquainted with the preparations to the General Meeting, adopted all the required documents and discussed current issues related to the Company's operations. The Board passed all the required resolutions concerning the review of and providing an opinion on the 2013 financial statements. The Supervisory Board familiarised itself with the current status of strategic projects, including mainly those in India and Brazil. It also modified the definition of mid-exchange rate contained in the Rules of the 2012–2016 Incentive Scheme. The Supervisory Board passed a resolution concerning verification of declared intentions to exercise the right to acquire Subscription Warrants submitted by members of the Company's Management Board, and proposals to acquire Subscription Warrants extended to members of the Company's Management Board. The Supervisory Board also received briefings from key managing persons, Jacek Baranowski (Chief Operation Officer at SWR), Piotr Skarbiński (VP CAB), and Sławomir Woźniak (Group Operational Excellence Director), on strategies adopted within their respective areas of responsibility.

During its meeting held on September 12th 2013, the Supervisory Board discussed the current operations and financial standing of the Seco/Warwick Group and its prospects until the end of 2013, and reviewed the financial performance for the first half of 2013. The Supervisory Board familiarised itself with the contents of a report concerning allocation of the first tranche of shares under the Incentive Scheme and the current status of new subsidiaries. It also received briefings from key managing persons, Mariusz Pluska (Global Controller) and Jonathan Markley (the new MD of SWC), on strategies adopted within their respective areas of responsibility.

During its meeting held on December 5th 2013, the Supervisory Board discussed a new division of responsibilities on the Management Board. It reviewed the Company's results for the first nine months of the year and the 2013 forecast. The Board discussed the Company's current situation and approved the budget for 2014. The Board also received briefings from Wojciech Modrzyk, Vice-President of the Management Board, and other key managing persons, Katarzyna Kowalska (Global Purchasing Manager) and Robert Szadkowski (IT Manager), on strategies adopted within their respective areas of responsibility. The Supervisory Board also fixed the dates for its meetings in 2014.

In 2013, 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 2013, 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 for WSE-Listed Companies.

In 2013, the Audit Committee comprised:

1. Henryk Pilarski,

2. Zbigniew Rogóż,
3. Witold Klinowski.

In the reporting period, the meetings held by the Audit Committee were correlated with the meetings of the Supervisory Board. The activities performed by the Audit Committee of the Supervisory Board of SECO/WARWICK S.A. in 2013 included reviewing Company information 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 the 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.

On October 30th 2013, the Audit Committee requested the Company's Management Board to provide information on identification and management of risks within the Company and the Group, including market risk, liquidity risk, credit risk, investment risk, competition risk, and legal and regulatory risks. The Committee requested information on how the key risks are managed. During the Supervisory Board's meeting on December 5th 2013, in response to the request, the Management Board presented a comprehensive overview of the risk management methods used at the Company, including methods of monitoring the key risks. Risk management is tailored to the Group's needs. The overall objective of risk management is to reduce risk exposures to acceptable levels. While ensuring double control with respect to most business matters, the Group's new organisational structure helps reduce exposures to the key risks. A risk assessment process has also been implemented, which identifies and determines the Company's priorities. The risk assessment process covers the entire organisation and uses such indicators as impact and probability. The Management Board also discussed in detail exposure to financial risk, operational risk, as well as legal and regulatory risks.

CONCLUSIONS:

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

1. Assessment and approval of the financial statements of SECO/WARWICK Spółka Akcyjna for 2013.
2. Assessment and approval of the Directors' Report on the operations of SECO/WARWICK Spółka Akcyjna in 2013.
3. Assessment of the proposal by the Management Board of SECO/WARWICK Spółka Akcyjna regarding allocation of profit for 2013.

The Supervisory Board prepared, approved and resolved to submit to the General Meeting this Report on its activities in 2013, 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 the General Meeting to:

1. Grant discharge to members of the Management Board in respect of performance of their duties in 2013.
2. Grant discharge to members of the Supervisory Board in respect of performance of their duties in 2013.

This Resolution shall become effective as of its date.

This Resolution was adopted by an open ballot.

Number of Supervisory Board members present: _____

Votes in favour of the resolution: _____

Votes against the resolution: _____

Abstaining votes: _____