

**Resolution No. 5/2015**  
**of the Supervisory Board of SECO/WARWICK S.A. of Świebodzin**  
**dated April 23rd 2015**

concerning: *Review and approval of the report of the SECO/WARWICK S.A. Supervisory Board on its activities in 2014*

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 2014.

**Report of the Supervisory Board**  
**of SECO/WARWICK S.A. of Świebodzin**  
**on its activities in 2014**

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 2014**

The Supervisory Board's activities included in particular review and assessment of:

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

**During its meeting on February 27th 2014**, the Supervisory Board reviewed the Company's 2013 financial performance and updated business plan for 2014. The Management Board presented key milestones to help individual companies work towards and achieve the set

targets. Other issues presented during the meeting included the Compact project concept, SWOT analysis for SW S.A. and extensive comparison of the Company with its main competitors on the AP market. The Supervisory Board passed three resolutions concerning the Company's Management Board.

**During its meeting on April 29th 2014**, 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 Supervisory Board passed all the required resolutions concerning review and assessment of the 2014 financial statements.

**During its meeting held on September 17th 2014**, the Supervisory Board discussed the current operations and financial standing of the Seco/Warwick Group and its prospects until the end of 2014, and reviewed the financial performance for the first half of 2014. The Supervisory Board also discussed key risks related to the Russian and Ukrainian contracts. The Management Board recommended a change of auditor.

**During its meeting held on December 4th 2014**, the Supervisory Board discussed a new division of responsibilities on the Management Board. It reviewed the Company's results for the first ten months of the year and the 2014 forecast. The Supervisory Board discussed the Company's current standing, with a particular focus on its operations in Brazil, China and India. The Supervisory Board adopted the 2015 budget. The Company's CFO presented detailed information on risks incurred by the SW Group, while the President of the Management Board reported on the process of selecting and appointing the Group's Auditor. The Supervisory Board also fixed the dates for its meetings in 2015.

**In 2014, pursuant to Section 19.6 of the Rules of Procedure of the Supervisory Board and Art. 38s.4 of the Commercial Companies Code, the Supervisory Board also held its meetings by means of remote communication.**

In 2014, 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 2014, the Audit Committee comprised:

1. Henryk Pilarski
2. Zbigniew Rogóż,
3. Witold Klinowski.

In the reporting period, the Audit Committee operated through meetings correlated with the Supervisory Board meetings. The activities performed by the Audit Committee of the Supervisory Board of SECO/WARWICK S.A. in 2014 included reviewing of the 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 activities of the Audit Committee focused on:

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

## 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 2014.
2. Assessment and approval of the Directors' Report on the operations of SECO/WARWICK Spółka Akcyjna in 2014.
3. Assessment of the proposal by the Management Board of SECO/WARWICK Spółka Akcyjna regarding allocation of profit for 2014.

The Supervisory Board prepared, approved and resolved to submit to the General Meeting this Report on its activities in 2014, as well as the report on 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 2014.
2. Grant discharge to members of the Supervisory Board in respect of performance of their duties in 2014.

This Resolution shall become effective as of its date.

The Resolution was passed by an open ballot.

*Number of Supervisory Board members in attendance:* \_\_\_\_\_

*Votes in favour of the resolution:* \_\_\_\_\_

*Votes against the resolution:* \_\_\_\_\_

*Abstentions:* \_\_\_\_\_