

Subject: Definition of 2018 Incentive Scheme's quantitative objectives by Supervisory Board
Current Report No. 18/2017 of December 14th 2017

Legal basis: Art. 17.1 of MAR – Inside information

Text of the report:

The Management Board of SECO/WARWICK S.A. (the "Company") announces that today the Supervisory Board has passed a resolution defining the individual objectives and the joint objective for the participants of the 2016–2018 Incentive Scheme (the "Scheme"). The achievement of the individual objectives and the joint objective is a precondition for the participants to become eligible for the benefits under the Scheme. The objectives cover financial and operating ratios of the individual subsidiaries, the organisational units related to particular technologies, or the entire Group, depending on the position of a Scheme participant. For the entire Group, the individual objective for the President of the Management Board and the Chief Financial Officer at SECO/WARWICK S.A., the Parent, is the consolidated net profit of the Group. For 2018, this objective is set at PLN 18.8m.

The objective was formulated assuming that the 2017 accounting principles for recognition of revenues from long-term contracts will continue to apply in 2018. If interpretation of the revenue recognition method changes significantly, the Supervisory Board will update the objectives. If new objectives are set, the Management Board of the Company will publish the new consolidated net profit target for 2018.

This amount is an objective set for the purposes of the Scheme rather than a financial forecast.

The framework terms of the Scheme are defined in the Supervisory Board's resolution of April 23rd 2015. They are described in Section 7 of the Directors' Report on the Group's Operations in 2016.

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