

Resolution No. 5/2016
of the Supervisory Board of SECO/WARWICK S.A. of Świebodzin
dated April 28rd 2016

concerning: *Review and approval of the report of the SECO/WARWICK S.A. Supervisory Board on its activities in 2015*

Acting pursuant to Art. 382.3 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 2015.

Report of the Supervisory Board
of SECO/WARWICK S.A. of Świebodzin
on its activities in 2015

1. In the reporting period, the Supervisory Board of SECO/WARWICK Spółka Akcyjna operated as:

The Supervisory Board of the second term of office (January 1st–May 26th 2015), consisting of:

1. Andrzej Zawistowski – Chairman of the Supervisory Board
2. Henryk Pilarski – Deputy Chairman of the Supervisory Board
3. Jeffrey Boswell
4. Jim Goltz
5. Gutmann Habig
6. Zbigniew Rogóż
7. Witold Klinowski

The Supervisory Board of the third term of office (May 26th–December 31st 2015), consisting of:

1. Andrzej Zawistowski – Chairman of the Supervisory Board
2. Henryk Pilarski – Deputy Chairman of the Supervisory Board
3. Jeffrey Boswell
4. Jim Goltz
5. Gutmann Habig
6. Marcin Murawski
7. Witold Klinowski

In the Supervisory Board of the third term of office, Mr Marcin Murawski was a member meeting the independence criteria.

The Audit Committee in the Supervisory Board of the second term of office consisted of:

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| 1. Zbigniew Rogóż | – | Chairman |
| 2. Witold Klinowski | – | Secretary |
| 3. Henryk Pilarski | – | Member |

The Audit Committee in the Supervisory Board of the third term of office consisted of:

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|---------------------|---|-----------|
| 1. Marcin Murawski | – | Chairman |
| 2. Witold Klinowski | – | Secretary |
| 3. Henryk Pilarski | – | Member |

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 reporting period, the Supervisory Board reviewed the Company's financial performance, regularly assessed the Company's economic standing, and examined the information on the Company's development prospects and growth presented by the Management Board.
4. The Supervisory Board met four times in the reporting period.
5. The Audit Committee met five times in the reporting period.
6. In the reporting period, the Supervisory Board's activities included in particular review and assessment of:
 - a) the Company's strategy,
 - b) the Company's operations,
 - c) enhancement of the Company's competitive edge,
 - d) financial plans (budgets),
 - e) business situation of the SECO/WARWICK Group companies,
 - f) the Company's investment plans,
 - g) development of the Company's organisational structure,
 - h) product development,
 - i) major risks identified at SECO/WARWICK Group companies and relating to the situation on the companies' markets,
 - j) implementation of the cost savings programme,
 - k) implementation of the Rules of the Incentive Scheme,
 - l) transactions executed by the Company,
 - m) services provided to Group companies by members of the Management and Supervisory Board,
 - n) cooperation with the Audit Committee,
 - o) the Company's fulfilment of disclosure requirements, as well as
 - p) giving opinion on matters to be included in the resolutions of the General Meeting.

All matters discussed during individual meetings of the Supervisory Board were recorded in the minutes of those meetings.

The Audit Committee operated 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. Its activities included in particular:

- a) monitoring of the financial reporting process,
- b) monitoring of risk management systems used to control key risks to which the Company was exposed,

- c) monitoring of the operating risks of the Group companies based abroad (India, China, Brazil and Russia),
- d) monitoring of compliance with the auditor's instructions,
- e) verification of information which relates to the Company and is intended for publication,
- f) submission of recommendations concerning appointment of an auditor, and
- g) meetings with auditing firms.

All matters discussed during individual meetings of the Audit Committee were recorded in the minutes of those meetings.

CONCLUSIONS

The Supervisory Board hereby expresses a positive opinion on the activities of the Supervisory Board and its individual members in the financial year 2015.

In performance of its obligations under the Commercial Companies Code and the Company's Articles of Association, having examined and assessed the Directors' Report on the Company's operations in 2015 and the Company's financial statements for 2015 for their consistency with accounting records and documents, as well as for their truthfulness and accuracy, and having read the auditor's opinion on the Company's financial statements for 2015, the Supervisory Board has adopted relevant resolutions concerning:

1. Assessment and approval of the financial statements of the Company for 2015.
2. Assessment and approval of the Directors' Report on the Company's operations in 2015.
3. Assessment of the Management Board's proposal concerning coverage of loss for 2015.

The Supervisory Board submits those resolutions to the Company's General Meeting for approval.

The Supervisory Board prepared, approved and resolved to submit to the General Meeting this Report on its activities in 2015, as well as the report on the assessment of the Company's financial statements for 2015 and the Directors' Report on the Company's operations in 2015.

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 Company's Management Board in respect of their duties in 2015.
2. Grant discharge to members of the Company's Supervisory Board in respect of their duties in 2015.

This resolution becomes effective as of its date.

The resolution was voted on in an open ballot.

List of members of the Supervisory Board present:

Votes in favour of the resolution: _____

Votes against the resolution: _____

Abstaining votes: _____