

Report of the Supervisory Board of OEX S.A.

on its activities, assessment of the work in the financial year 2017 and results of the review of the statements and reports mentioned in art. 395 § 2 (1) of the Code of Commercial Companies

This scope of this report covers:

- 1) Information concerning the composition of the Supervisory Board of OEX S.A. in 2017;
- 2) Discussion of the activities of the Supervisory Board of OEX S.A. in the period from 01 January 2017 to 31 December 2017, including information about the matters discussed during the meetings of the Board;
- 3) Assessment of the report on the activities of the Company in the financial year 2017 and the separate financial statements of the Company for the financial year 2017 in terms of their compliance with the books of account, documents and the actual state of affairs as well as the motion of the Management Board of OEX S.A. concerning the distribution of the net profit of OEX S.A. for the financial year 2017;
- 4) Assessment of the report on the activities of the OEX Group in the financial year 2017 and the consolidated financial statements of the OEX Group for the financial year 2017 in terms of their compliance with the books of account, documents and the actual state of affairs;
- 5) Information about the fulfilment by the Members of the Supervisory Board of the independence criterion.
- 6) Self-assessment of the work of the Supervisory Board of OEX S.A.

1. Information concerning the composition of the Supervisory Board in 2017

In the financial year 2017, in the period from 01 January 2017 to 31 December 2017, the Supervisory Board worked in the following composition:

- Piotr Beaupré – Chairman of the Supervisory Board
- Tomasz Słowiński – Secretary of the Supervisory Board
- Tomasz Mazurczak
- Piotr Cholewa
- Michał Szramowski

During the financial year, the above-mentioned Members of the Supervisory Board were appointed by the Ordinary General Meeting of Shareholders of the Company for another (sixth) term of office.

After the end of the financial year, there were changes in the composition of the Supervisory Board of the Company. On 14 February 2018, Mr Tomasz Słowiński resigned from the function of the Member of the Supervisory Board of the Company in relation with the submission of his candidacy for the position of Member of the Management Board of the Company. The resignation of Mr Tomasz Słowiński became effective on 5 March 2018. As of 5 March 2018, Mr Tomasz Kwiecień was appointed a Member of the Supervisory Board of the Company by virtue of a resolution of the Extraordinary General Meeting of Shareholders of OEX S.A.

Since 5 March 2018 until the date of the preparation of these statements, the Supervisory Board of the Company worked in the following composition:

- Piotr Beaupré – Chairman of the Supervisory Board
- Tomasz Kwiecień – Secretary of the Supervisory Board
- Tomasz Mazurczak
- Piotr Cholewa
- Michał Szramowski

2. Discussion of the activities of the Supervisory Board in 2017

The Supervisory Board of OEX S.A., pursuant to the provisions of the Code of Commercial Companies and the Articles of Association of the Company, maintained permanent supervision over the activities of the Company. In 2017, the Supervisory Board had four meetings and handled the most important operational and strategic issues concerning the operation of the Company, the Group and their further development.

Below are presented the most important issues dealt with the Supervisory Board in the financial year 2017:

- i. grant of consent for the execution by the Management Board of the Company of the final agreement concerning the acquisition of shares in Archidoc S.A. with registered office in Chorzów;
- ii. matters related to the acquisition by the Group of debt financing;
- iii. determination of the number of members of the Company's Management Board, appointment of Mr Tomasz Kwiecień to be a member of the Company's Management Board;
- iv. analysis of matters related to a division of one of the subsidiaries;
- v. regular discussion of the financial performance of the OEX S.A. Group;
- vi. giving opinions concerning the publication by the Group of the forecasts of its financial performance;
- vii. analysis of obligations of public companies in relation with the legal regulations in force;
- viii. analysis of conclusions of the auditor in relation with the audit of the 2016 financial statements;

- ix. giving opinion on the resolutions in relation with the General Meetings of Shareholders of the Company convened in 2017;
- x. appointment of a statutory auditor to audit the consolidated and separate financial statements of the Company for 2017;
- xi. determination of the rules of remuneration and bonuses for the members of the Issuer's Management Board;
- xii. formation of the bodies of the Supervisory Board of the new term of office;
- xiii. amendments to the By-Laws of the Supervisory Board of the Company;
- xiv. appointment of the Audit Committee of the Company and election of its members and determination of its operational principles;
- xv. adoption of a consolidated text of the Articles of Association of the Company.

Furthermore, as part of the supervision over the day-to-day activities of the Company, the Supervisory Board systematically analysed the financial situation and the results of operating activities of the Company as well as the main risks related to the OEX S.A. Group.

As of 29 September 2017, the Supervisory Board appointed the Audit Committee of the Supervisory Board of OEX S.A. (hereinafter referred to as the 'Audit Committee'), operating in accordance with the principles laid down in the Statutory Auditors, Auditing Companies and Public Supervision Act of 11 May 2017 (*Journal of Laws* Dz.U.2017.1089 as amended), and the By-Laws of the Supervisory Board of the Company and the By-Laws of the Audit Committee of the Supervisory Board of OEX S.A. as adopted by the Supervisory Board of the Company.

The basic tasks of the Audit Committee include in particular:

- a. monitoring of the financial reporting of the Company;
- b. audit of the efficiency of the internal control systems and risk management systems;
- c. assessment, control and monitoring of independence of the statutory auditor and the audit company;
- d. development of the policy of appointing an auditing company to audit the financial statements as well as preparation of an applicable procedure in this regard;
- e. submission of recommendations the purpose of which is to ensure the reliability of the financial reporting process within the Company.

Pursuant to §7 (8) of the By-Laws of the Supervisory Board of the Company, the Audit Committee submits annual reports on its activities to the Supervisory Board. The report of the Audit Committee is appended to this Report on the activities of the Supervisory Board.

3. Assessment of the report on the activities of OEX S.A. in 2017 and the separate financial statements of OEX S.A. for 2017 in terms of its compliance with the books of account, documents and the actual state of affairs as well as assessment the motion of the Management Board of OEX S.A. concerning the distribution of the net profit of OEX S.A. for 2017

Pursuant to Art. 382 § 3 of the Code of Commercial Companies, the Supervisory Board of OEX S.A carried out an assessment of the report on the activities of OEX S.A. in 2017 and the separate financial statements of OEX S.A. for 2017 in terms of its compliance with the books of account, documents and the actual state of affairs as well as assessment the motion of the Management Board of OEX S.A. concerning the distribution of the net profit of OEX S.A. for 2017.

Approval of the financial statements of the Company for 2017

Pursuant to the Resolution of the Supervisory Board dated 05 June 2017, the audit of the financial statements of the Company for the financial year 2017 was made by PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Warsaw, at ul. Orzycka 6 lok. 1 B, entered into the list of entities authorised to audit financial statements under number 477. (hereinafter referred to as the ‘certified statutory auditor’).

The Supervisory Board familiarized with the Company’s financial statements for 2017, comprising:

- a) the statement of financial position, showing the total of assets and the total of equity & liabilities at kPLN 144,280 (say: one hundred and forty-four million two hundred and eighty thousand Polish zlotys);
- b) the statement of profit or loss and the statement of comprehensive income showing a net profit of kPLN 7,557 (say: seven million five hundred and fifty-seven thousand Polish zlotys);
- c) the statement of changes in equity, showing an increase of the equity by kPLN 7,557 (say: seven million five hundred and fifty-seven thousand Polish zlotys);
- d) the cash flow statement, showing an increase in cash position by kPLN 3,162 (say: three million one hundred and sixty-two thousand Polish zlotys);
- e) the supplementary notes to the financial statements.

and assessed the financial statements in terms of its compliance with the books and documents as well as with the actual state of affairs.

The Supervisory Board also familiarised with the report and opinion of the certified auditor dated 10 April 2018 and, having made the assessment as mentioned above, concluded that it shared the conclusions of the certified auditor and would recommend that the General Meeting of Shareholders approved the separate statements of the Company for the year 2017.

Approval of the report on the activities of the Company in 2017

The Supervisory Board familiarised with the report on the activities of OEX S.A. in 2017 and the opinion of the statutory auditor dated 10 April 2018. The Supervisory Board assessed the report and concluded that it shared the conclusions of the opinion of the statutory auditor and

will recommend to the Ordinary General Meeting of Shareholders to approve the report on the activities of the Company in the financial year 2017.

Motion of the Management Board of OEX S.A. concerning the distribution of net profit of the Company for 2017

The Supervisory Board of OEX S.A., having familiarised with the proposal put forward by the Management Board of the Company concerning the allocation of the Company's net 2017 profits of kPLN 7,557 (say: seven million five hundred and fifty-seven thousand Polish zlotys) in whole to the supplementary capital and having made a financial analysis of the Company's position, will recommend to the General Meeting of Shareholders of the Company that it adopted a resolution on the profit distribution in a way as proposed by the Management Board.

4. Assessment of the report on the activities of the OEX Group in 2017 and of the consolidated financial statements of the OEX Group for 2017

Pursuant to Art. 382 § 3 read in conjunction with Art. 395 § 5 of the Code of Commercial Companies, the Supervisory Board of OEX S.A. assessed the report on the activities of the OEX Group for 2017 and the consolidated financial statements of the OEX Group for 2017 in terms of their compliance with the books of account, documents and the actual state of affairs.

Assessment of the consolidated financial statements of the OEX Group for 2017

Pursuant to the Resolution of the Supervisory Board dated 05 June 2017, the audit of the consolidated financial statements of the OEX Group for the financial year 2017 was made by PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Warsaw, at ul. Orzycka 6 lok. 1 B, entered into the list of entities authorised to audit financial statements under number 477. (hereinafter referred to as the 'certified statutory auditor').

The Supervisory Board familiarized with the consolidated financial statements of the OEX Group for 2017, comprising:

- a) the consolidated statement of financial position, showing the total of assets and the total of equity & liabilities at kPLN 325,471 (say: three hundred and twenty-five million four hundred and seventy-one thousand Polish zlotys);
- b) consolidated statement of profit or loss and statement of comprehensive income, showing the total net profit of kPLN 16,137 (say: sixteen million one hundred and thirty-seven thousand Polish zlotys)
- c) the consolidated statement of changes in equity, showing an increase of the equity by kPLN 16,137 (say: sixteen million one hundred and thirty-seven thousand Polish zlotys);
- d) the consolidated cash flow statement, showing an increase in cash position by kPLN 6,334 (say: six million three hundred and thirty-four thousand Polish zlotys);
- e) the supplementary notes to the financial statements.

and assessed the financial statements in terms of its compliance with the books and documents as well as with the actual state of affairs.

The Supervisory Board also familiarised with the report and opinion of the certified auditor dated 10 April 2018 and, having made the assessment as mentioned above, concluded that it shared the conclusions of the certified auditor and would recommend that the General Meeting of Shareholders of the Company approved the consolidated statements of the OEX Group for the year 2017.

Approval of the report on the activities of the OEX Group in 2017

The Supervisory Board familiarised with the report on the activities of the OEX Group in 2017 and the opinion of the statutory auditor dated 10 April 2018. The Supervisory Board assessed the report and concluded that it shared the conclusions of the opinion of the statutory auditor and will recommend to the Ordinary General Meeting of Shareholders of the Company to approve the report on the activities of the OEX Group in the financial year 2017.

5. Information about the fulfilment by the Members of the Supervisory Board of the independence criterion

Pursuant to rule II.Z.10.2. of the 'Code of Good Practices of the WSE Listed Companies 2016' (hereinafter referred to as the 'CGP'), THE Supervisory Board would like to inform whom it may concern that the independence criterion mentioned in the CGP is met by two members of the Supervisory Board: Mr Tomasz Mazurczak and Mr Michał Szramowski.

6. Self-assessment of the work of the Supervisory Board

The Supervisory Board, maintaining a constant supervision over the activities of OEX S.A. in 2017, discharged its duties with due diligence, observed the generally applicable legal regulations as well as other norms and standards applicable to the business of the Company.

Jointly with the Management Board of the Company, the Supervisory Board analysed the market environment and the risk factors (both financial and non-financial ones) the OEX Group is exposed to, paying special attention to the safety and effectiveness of business processes.

During the meetings of the Supervisory Board, the performance of the largest contracts and the activities undertaken by the Company's governing bodies were discussed on an ongoing basis.

The Supervisory Board members were significantly involved in activities of the Supervisory Board, which met in most cases in its full composition. The Supervisory Board members had

appropriate substantive and ethical qualifications to discharge their functions as a statutory body.

**REPORT ON THE ACTIVITIES OF
THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD OF OEX S.A. IN
WARSAW ('THE COMPANY')
FOR THE PERIOD FROM 29/09/2017 TO 31/12/2017**

I. Preliminary Part

1. Composition of the Audit Committee.

By virtue of its resolution dated 29 September 2017, the Supervisory Board appointed from among its members the Audit Committee of the Supervisory Board of OEX S.A. (hereinafter referred to as the 'Audit Committee'). The committee is composed of the following persons:

- a) Tomasz Mazurczak – Chairman of the Audit Committee
- b) Tomasz Kwiecień – Member of the Audit Committee
- c) Michał Szramowski – Member of the Audit Committee

Until 31 December 2017, the composition of the Audit Committee did not change. In relation with the resignation of Mr Tomasz Słowiński from the position of the Member of the Supervisory Board effective as of 5 March 2018, Mr Tomasz Kwiecień was appointed to take his place in the Audit Committee.

The Audit Committee members meet the requirements concerning the independence, education, experience as well as the competencies held.

2. Operational Basis and Competencies of the Audit Committee

The Audit Committee is a committee in charge of the audit within the understanding of Art. 128 (1) the Statutory Auditors, Auditing Companies and Public Supervision Act of 11 May 2017 (hereinafter referred to as the 'Act').

The Audit Committee operates on the basis of the By-Laws of the Audit Committee of the Supervisory Board of OEX S.A., as approved by the Supervisory Board of the Company on 16 October 2017.

On 16 October 2017, the Audit Committee took a resolution in which it approved the following:

- a) the policy of appointment of an audit company to audit the financial statements of OEX S.A. with registered office in Warsaw, as mentioned in Art. 130 (1) (5) of the Act,
- b) the procedure of appointment of an audit company to audit the financial statements of OEX S.A. with registered office in Warsaw, as mentioned in Art. 130 (1) (7) of the Act,

- c) the policy of provision for the benefit of OEX S.A. with registered office in Warsaw of admissible services by the audit company, its related entities or network members as mentioned in Art.130 (1) (6) of the Act.

The basic tasks of the Audit Committee include in particular:

- a) monitoring of the financial reporting of the Company;
- b) audit of the efficiency of the internal control systems and risk management systems;
- c) assessment, control and monitoring of independence of the statutory auditor and the audit company;
- d) development of the policy of appointing an auditing company to audit the financial statements as well as preparation of an applicable procedure in this regard;
- e) submission of recommendations the purpose of which is to ensure the reliability of the financial reporting process within the Company.

3. Number and Dates of Meetings

During the reporting period, there was one meeting of the Audit Committee held on 17 November 2017.

The meetings of the Audit Committee were attended by Management Board Members invited and other guests, in particular employees of the Company responsible for particular aspects of the Company's business.

II. Activities of the Audit Committee

1. Monitoring and Control of the Company's Financial Reporting and Financial Auditing Processes.

The Audit Committee discussed in detail with the representatives of the auditor, PKF Consult Spółka z ograniczoną odpowiedzialnością Sp.k. with registered office in Warsaw (hereinafter referred to also as the 'Auditor' or 'PKF Consult'), the principles of cooperation in relation with the statutory audit of the financial statements of the OEX Group for 2017. The Audit Committee monitored on an on-going basis all the activities undertaken by the Management Board of the Company related to the preparation of the financial statements, especially focusing on the cooperation between the Management Board and the Auditor on the report on the financial audit. Based on the information obtained by the Audit Committee, the cooperation between the Auditor and the Management Board of the Company is correct and there are no reservations whatsoever.

The principles of preparation of the financial statements adopted by the Company as well as the procedures related to the submission of the statements for the audit by the statutory auditor as well as the process of verification and approval by the Company's internal governing

bodies (including the Audit Committee and the Supervisory Board) ensure a reliability and fairness of the presentation of the financial position of the Company.

2. Assessment of the efficiency of operation of the internal control system and the internal audit system.

As part of its activities, the Audit Committee examined the internal control systems in place in the Company and the OEX S.A. Group (hereinafter referred to as the ‘Group’). The Audit Committee has determined that the internal control system in place in the Company is observed by the Management Board, the management staff and the remaining employees in their tasks. The control activities are undertaken on an ongoing basis and at the stage of verification by the management staff of the correctness of tasks completed by the reporting employees.

The Audit Committee identified simultaneously a number of operational activity areas which will be monitored in the future by the Committee in more detail due to their character and the potential risks for the Group which may arise in relation with the prospective infringements, including, but not limited to: the area of personal data protection, IT security, ethics, anti-corruption procedures or regulatory risks characteristics for particular business areas.

The internal control system of OEX S.A. is a process pursued in response to identified risks in order to ensure the performance of tasks in an effective way and in accordance with the generally applicable provisions of law and other regulations.

In the assessment of the Audit Committee, the Management Board of the Company properly discharges the obligation related to internal control of the Company's business.

3. Assessment of the Operation of the Risk Identification and Management Systems.

Together with the management of the Group companies, the Management Board reviews and updates the risk factors inherent to the Company's business which may impact the Company's financial and market situation.

The main element of risk control and management as regards the financial reporting is the verification of the separate statements and consolidated statements by an independent external auditor. The annual and interim financial statements are reviewed and audited by a chartered statutory auditor who prepares an audit report and opinion or, respectively after a review, a review report and opinion.

The Management Board of the Company decided to develop and implement a compliance function, the purpose of which is to manage the potential compliance risk of the OEX Group both as regards the legal regulations and the internal procedures and standards. The system-based compliance risk management within the organisation makes part of the responsibilities of the Legal and Compliance Department of OEX (DPC), which is in charge of the coordination and formal pursuit of compliance tasks within the OEX Group. The ongoing management of the compliance risk, i.e. the observance of standards and procedures, constitutes the basic responsibilities of each employee as part of their daily tasks.

4. Independence of Internal and External Auditors.

As part of its competency, the Audit Committee verified the issue of independence of the statutory auditor auditing the Company's 2017 financial statements. The independence was ascertained on the basis of the statement provided to the Committee by the statutory auditor.

The Audit Committee did not identify any indications of a lack of independence of employees in charge of the internal control tasks in relation to the employees subject to the control.

Tomasz Mazurczak

– Chairman of the Audit Committee

Tomasz Kwiecień

– Member of the Audit Committee

Michał Szramowski

– Member of the Audit Committee
