

Statement concerning the application of the corporate governance in 2017 – part of the report on the activities of the issuer's group

Indication:

- a collection of corporate governance rules the issuer is subject to and a place where the text of such rules is publicly available

or

- a collection of corporate governance rules the issuer voluntarily agreed to apply as well as a place where the text of such rules is publicly available

or

- all appropriate information concerning the issuer's corporate governance practices exceeding the requirements of the domestic laws, and a presentation of information on the corporate governance practices it applies.

This statement refers to the corporate governance principles in force since 1 January 2016 as included in the 2016 Code of Good Practices of WSE Listed Companies (hereinafter referred to as 'DPSN 2016') as adopted by Resolution of the Supervisory Board of the Warsaw Stock Exchange ('WSE') No. 26/1413/2015 dated 13 October 2015.

The text of the 2016 Code of Best Practice for WSE Listed Companies valid since 01 January 2016 is publicly available at the website of the WSE (<https://www.gpw.pl/dobre-praktyki>).

Indication of those provisions of the collection of the corporate governance rules mentioned above that were abandoned by the issuer and explanation of the reasons for such abandonment.

In 2017, the Company observed the principles laid down in DPSN 2016, with the exception of the recommendations and detailed principles indicated below:

- Principle I.Z.1.15. – concerning the publication on the company's website of information about the company's diversity policy applicable to the company's governing bodies and key managers.

The said principle is not applied because the Company does not have a diversity policy in place. The character of the business, the employment structure of the Company as well as the organisational changes resulted in the fact that the Company is currently focused on other HR areas. The Company does not rule out the development and implementation of the diversity policy in the future.

- Principle I.Z.1.16. – concerning the publication on the company's website of information about the planned transmission of a general meeting, not later than 7 days before the date of the general meeting.

The Company does not apply this principle. Currently, the Articles of Association of the Company do not contain provisions allowing the participation in the General Meetings of Shareholders using the means of electronic communications, including a transmission of the meetings.

- Principle I.Z.2. – concerning the availability of an English language version of the website of companies whose shares participate in the exchange index WIG20 or mWIG40 as well as companies not participating in these indices if so required by the structure of their shareholders or

the nature and scope of their activity.

This principle does not apply to the Company. The Company's shares do not participate in the exchange index WIG20 or mWIG40. The Company's structure of the shareholders or the nature and scope of its activity do not require the application of this principles either. The Company ensures, however, the availability of its website in English in the scope of basic information about the Company.

- Principle III.Z.3. – concerning the observance of the principle of independence defined in generally accepted international standards of the professional internal audit practice with reference to the person heading the internal audit function and other persons responsible for such tasks.

The Company does not apply this principle. Considering the size and type of the business of the Company the audit function was not created as as separate organisational unit. The tasks of the internal audit are pursued by a number of specifically appointed persons with appropriate qualifications in selected organisational units of the Company and in the structures of subsidiaries making up the Issuer's Group. In the assessment of the Management Board, there are no premises indicating the necessity to apply the above standards with reference to the above-mentioned persons pursuing the tasks as part of the internal audit in the Company.

- Recommendation IV.R.2. – concerning the provision to the shareholders with a possibility to take part in the general meeting of shareholders via electronic communication means, i.e. by transmitting the general meeting of shareholders in real time, bilateral communication in real time, as part of which the shareholders would be able to speak during the session, while being in a place different than the venue of the meeting, exercise the right of voting in person or by proxy during the general meeting.

The said recommendation is not applied. Currently, the Articles of Association of the Company do not allow the participation in the General Meeting of Shareholders via means of electronic communications, including a real time transmission of the meeting. In 2017, the Company did not provide the shareholders with a possibility to take part in the general meeting of shareholders via electronic communication means, i.e. by transmitting the general meeting of shareholders in real time, bilateral communication in real time, as part

of which the shareholders would be able to speak during the session, while being in a place different than the venue of the meeting. In the assessment of the Management Board of the Company, considering the structure of the shareholders, the transmission of the General Meeting of Shareholders in real time or the bilateral communication during the meetings is not necessary. At the same time, one should notice the significant legal and technical risks related to the organisation of the General Meeting of Shareholders using means of electronic communications. In the light of the legal regulations in force, there are doubts related mainly to the possibility of identification of shareholders and the examination of the legitimization of participants of the General Meeting of Shareholders. The occurrence of technical problems, e.g. related to the Internet connection or a potential third party interference in IT systems, may distort the work of the General Meeting of Shareholders and result in doubts as to the validity of resolutions adopted during such a Meeting.

In 2017, the Company maintained all requirements concerning the General Meetings of Shareholders laid down in DPSN 2016, with the exception of those that concerned the participation in the meeting using the means of electronic communication, as well as observed the generally applicable provisions of law in this regard which - in the assessment of the Management Board - allowed all interested shareholders to exercise their rights.

- Recommendation IV.R.3. – concerning a situation when the securities issued by the company are traded in different countries (or in different markets) and in different legal systems.

The said recommendation does not concern the Company. The shares issued by the Company are traded only at the Warsaw Stock Exchange. The Company's bonds were quoted in 2017 at the alternative trading system organised by the Warsaw Stock Exchange and BondSpot S.A. The trade in securities issued by the Company was organised only within the territory of the Republic of Poland.

- Principle IV.Z.2. – concerning the provision of publicly available broadcasts of the general meetings of shareholders in real time, if justified by the structure of shareholders.

The said principle is not applied. Currently, the Articles of Association of the Company do not allow the participation in the General Meeting of Shareholders via means of electronic communications, including a real time transmission of the meeting. In 2017, the Company did not provide the shareholders with a possibility to take part in the general meeting of shareholders via electronic communication means, i.e. by transmitting the general meeting of shareholders in real time, bilateral communication in real time, as part of which the shareholders would be able to speak during the session, while being in a place different than the venue of the meeting. In the assessment of the Management Board of the Company, considering the structure of the shareholders, the transmission of the General Meeting of Shareholders in real time or the bilateral communication during the meetings is not necessary. At the same time, one should notice the significant legal and technical risks related to the organisation of the General Meeting of Shareholders using means of electronic communications. In the light of the legal regulations in force, there are doubts related mainly to the possibility of identification of shareholders and the

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- Principle V.Z.6. – concerning the determination of the criteria and circumstances under which a conflict of interest may arise in the company, as well as the rules of conduct where a conflict of interest has arisen or may arise.

The Company does not apply this principle. The Company does not preclude a development of internal regulations allowing for, among other things, the ways of prevention, identification and solution of conflicts of interest as well as the principle of exclusion of a Member of the Management Board or the Supervisory Board from participation of a case related to or potentially related to a conflict of interest.

- Recommendation VI.R.3. – concerning the operations of a remuneration committee.

The said recommendation does not concern the Company. No remuneration committee has been created within the Supervisory Board of the Company.

- Principle VI.Z.2. – concerning the tying of the remuneration of members of the Management Board and key managers to the Company's long-term business and financial goals as part of an incentive scheme concerning the allocation of options or other instruments linked to the Company's shares.

This principle does not concern the Company. There is no incentive system in the Company: that would be based on options or other instruments linked to the Company's shares.

- Principle VI.Z.4. – concerning the presentation in the report on the Company's activities of a report on the remuneration policy including at least the following: general information about the company's remuneration system, information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group, information about non-financial remuneration components due to each management board member and key manager, significant amendments of the remuneration policy in the last financial year or

information about their absence, assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.

The Company does not apply this principle. In the report on the activities, Company presents information concerning remuneration in the scope as required by the legal regulations in force. Therefore, the information in the report on the activities contains only some of the data required by this principle.

Description of the main characteristics of the internal control systems and risk management systems with reference to the separate financial statements and consolidated financial statements preparation processes – in relation to the issuer's group.

The consolidated financial statements for 2017 were prepared by a professional external company providing accounting services on the basis of separate statements of subsidiaries as approved by the management boards of such subsidiaries and with reference to half-yearly and yearly statements - also reviewed or audited by a chartered auditor.

The chartered auditor for subsidiaries was appointed by meetings of shareholders. The consolidated financial statements were finally approved by the issuer's Management Board. In case of half- yearly and yearly financial statements, after the approval by the Management Board, there was a review or an audit, as appropriated, of such financial statements conducted by the chartered auditor. The chartered auditor was appointed by the Supervisory Board of the issuer. The annual financial statements before the submission to the General Meeting of Shareholders for approval were assessed by the Supervisory Board of the issuer.

Indication of shareholders holding, directly or indirectly, significant blocks of shares, indication of the number of shares held by them, their percentage of share capital, number of votes resulting and percentage of total votes at the general meeting of shareholders.

Detailed information on shareholders holding significant blocks of shares was given in Note 28.2 to the consolidated financial statements of the OEX Group for 2017.

Indication of holders of any securities that give special control rights, description of such rights.

In 2017, the securities issued by the Company were registered shares and bearer shares as well as ordinary bearer bonds issued by the Company in January 2017. The Articles of Association do not provide for any special control powers, especially for holders of registered shares. The bond terms and conditions did not provide for any special control powers with regard to the Company.

Indication of any restrictions concerning the exercise of the right of vote, such as restriction on the exercise of the right of vote by holders of specific part or number of votes, temporary restrictions concerning the exercise of the right of vote or provisions pursuant to which, with the company;s cooperation, the capital rights related to the securities are separated from the possession of securities.

The Articles of Association of the Company do not foresee any restrictions concerning the exercise of the right of vote, in particular do not contain provisions mentioned in Art. 411 of the Code of Commercial Companies stipulating the possibility of restricting by articles of association of the right of vote of shareholders holding more than one tenth of the total of votes in the company or a cumulation of votes appertaining to shareholders between which there is a holding or dependence relation.

In accordance with the possibility provided for in Art. 340 §2 of the Code of Commercial Companies, §5 (5) of the Articles of Association conditions the right to vote for a pledgee or a share user on the consent from the Company's Supervisory Board.

Irrespective of the above, the provisions of the Code of Commercial Companies concerning voting are applied during the general meetings of shareholders, including in particular the ban on voting by a particular shareholders during the adoption of resolutions concerning his/her obligations towards the company or the restriction on the exercise of share rights from the Company's treasury shares.

Indication of all restrictions concerning the transfer of the title to the securities of the issuer.

The Articles of Association do not contain any restrictions concerning the transfer of title to the issuer's securities.

Description of the rules governing the appointment and recalling of management personnel, their authority, in particular the right to take decisions on the share issue or redemption.

Pursuant to Art. 368 §4 of the Code of Commercial Companies and §19 (3) of the Articles of Association, the Management Board members are appointed and recalled by the Supervisory Board. The scope of competence of the Management Board includes all issues related to the management of the Company not reserved by the law or the Articles of Association to the exclusive competence of the General Meeting of Shareholders or the Supervisory Board.

Description of the rules of amending the Articles of Association of the issuer.

In accordance with Art. 430 §1 of the Code of Commercial Companies, a change in the Articles of Association of the issuer requires a resolution of the General Meeting of Shareholders and an entry into the register. The adoption of a resolution on amending the Articles of Association requires a majority of three fourths of votes (the Articles of Association of the issuer does not provide for conditions more restrictive than the ones set out in Art. 415 §1 of the Code of Commercial Companies)

The proceedings at the General Meeting of Shareholders, its main competences and description of rights of shareholders, the way of exercising such rights, in particular the rules resulting from the By-laws

of the General Meeting of Shareholders, if adopted.

The scope of competence of the General Meeting of Shareholders and the shareholder's rights is governed by the generally applicable legal regulations, including most of all the Code of Commercial Companies, as well as applicable provisions of the Articles of Association of the Company and the By-Laws of the General Meeting of Shareholders.

The competences of the General Meeting of Shareholders include in particular:

- review and approval of the report of the Management Board on the activities of the Company and of the financial statements,
- approval of the activities of members of the governing bodies of the Company performed in the fulfilment of their duties,
- adoption of resolutions on the distribution of profits or covering of losses,
- disposal of or tenancy of the enterprise or its organized part and the creation of a limited right in rem over them,
- amendments to the Articles of Association,
- decisions on claims for redress of damage caused upon formation of the Company or its management or supervision,
- appointment, recalling and defining the remuneration of the Supervisory Board members.

Pursuant to the provisions of the Articles of the Management Board, the purchase and disposal of real estates, perpetual leasehold or a share in a real estate does not require the consent of the General Meeting of Shareholders (§13 (2) of the Articles of Association).

The General Meeting shall be convoked by the Management Board. The Extraordinary General Meeting of Shareholders may also be convoked by the Supervisory Board or by shareholders representing at least one half of the share capital or at least one half of total votes. The Supervisory Board may also convene the Ordinary General Meeting of Shareholders, when the Management Board failed to do this in due time. Shareholders representing at least one tenth of the share capital may request a convention of the Extraordinary Meeting of Shareholders and introduction of specific items to the meeting's agenda as well as - in accordance with the procedure defined in the Code of Commercial Companies - request that certain items be introduced to the agenda of the next Meeting and submit draft resolutions.

During the General Meeting of Shareholders each shareholder is entitled to submit draft resolutions concerning items on the agenda.

The convention of General Meeting of Shareholders of a public company is made by putting an announcement on the website of the Company and in the manner defined for the provision of on-going information, at least 26 days in advance before the Meeting date. The scope of information to be included in the announcement as well as other data published on the website is governed in detail by the provisions of the Code of Commercial Companies.

The right to participate in the General Meeting of Shareholders of a public company rests with persons who were the shareholders in the Company sixteen days before the date of the General Meeting of Shareholders. The right to participate in the Meeting in case of shareholders holding dematerialised bearer shares follows from the certificate issued to a specifically named person and attesting the right to participate in the Meeting.

No resolution concerning items not included in the agenda may be adopted, unless the entire share capital is represented and no-one present objected as to the adoption of such resolution. As a rule, the General Meeting of Shareholders is valid irrespective of the number of shares represented, subject to the exceptions defined by the Code of Commercial Companies and the Articles of Association of the Company.

The General Meeting of Shareholders may adjourn the meetings by a majority of 2/3 of votes, however the accumulated breaks may not last longer than 30 days.

The General Meetings of Shareholders are opened by the Chairperson of the Supervisory Board or his/her Deputy, and in their absence, by the President of the Management Board or any other persons indicated by the Management Board, and then from among persons authorised to participate in the General Meeting the Meeting Chairperson is elected. The Chairperson of the General Meeting does not have the right, without the consent of the General Meeting to delete items or change the sequence of items on the agenda.

The list of the present contains a list of General Meeting participants, including the number of shares they represent and the number of votes. It should be prepared immediately after the election of the Meeting Chairperson and made public during the Meeting. Upon the motion of shareholders holding one-tenth of the share capital represented at the General Meeting, the list of the present should be verified by a dedicated committee elected for this purpose and composed of at least three persons. The applicants have the right to elect one member of the committee.

A shareholder may vote differently from each of the shares he/she holds.

Shareholders may participate in the General meeting and exercise their right of vote in person or by proxy.

The power of attorney to participate in the General Meeting of Shareholders of a public company must be made in writing or in an electronic form.

The resolutions of the General Meeting of Shareholders are adopted by an absolute majority of votes (more than one half of the votes cast), unless the provisions of the Code of the Commercial Companies or the Articles of Association stipulate otherwise. As a rule, the voting at the General Meeting of Shareholders is open, with the exception of elections, motions for recalling of member of the governing bodies or liquidators, taking them to responsibility and voting concerning personal matters. Secret ballot is also organised upon the request of even one of the shareholders present or represented at the Meeting. The resolutions of the Management Board are included in the minutes taken down by the notary public.

The Code of Commercial Companies provides for the right appertaining in specific situations also to shareholders to appeal against resolutions of the General Meeting that are contrary to the Articles of Association, good practice, Company's interest or aimed to be to the detriment of a shareholder by means of a resolution repeal proceedings. In case the resolution is contrary to law, shareholders meeting specific requirements have the right to start legal proceedings aimed at the ascertainment of the invalidity of such resolution.

The Company's Articles of Association do not provide for the possibility of participating in the General Meeting of Shareholders by means of electronic means of communication, the By-Laws of the General Meeting of Shareholders do not provide for the possibility of casting votes at the Meeting by correspondence.

The By-Laws of the General Meeting of Shareholders of the Company contain the following provisions concerning the proceeding during the Meeting:

The convocation, preparation and conduction of the General Meeting of Shareholders shall be made in accordance with the procedures and principles defined in the Code of Commercial Companies and in the Articles of Association of the Company.

The submission in an electronic form or by means of electronic communication:

- of a request to convoke an Extraordinary General Meeting of Shareholders (Art. 400 §1 and 2 of the Code of Commercial Companies),

or

-of a request to include certain items on the agenda of the next General Meeting of Shareholders (Art. 401 §1 of the Code of Commercial Companies),

or

- of draft resolutions concerning the items included in the agenda of the General Meeting of Shareholders or items that are to be included on the agenda (Art. 401 of the Code of Commercial Companies),

by a shareholder or shareholders representing at least one-twentieth of the share capital shall be made to the following e-mail address: sekretariat.zarxad@oex.pl, in a .pdf, .jpg, .png or .tif file, of a scanned document, as appropriate, (request, draft) signed by a shareholder (shareholders) and documents confirming the right to act on behalf of a shareholder for persons signing the document (extract from appropriate registers, powers of attorney) and ID cards of the shareholder or persons acting on his behalf.

Undertaking by a shareholder or shareholders of actions related to the General Meeting of Shareholder which does not arise from a certificate of the right to participate in the General Meeting of Shareholders as specifically indicated by name, including actions restricted to shareholders representing a specifically defined part of the share capital, is related with a necessity to indicate the entitlement to do so - in case of dematerialisation of bearer shares, by the production of a depository certificate. In the case of effecting actions in an electronic form, the scan of the original certificate in a .pdf, .jpg, .png or .tif file must be sent, together with other documents, to the above-mentioned e-mail address.”

The above principles also concern the situation when a shareholder requested the reception of a list of shareholders authorised to participate in the General Meeting of Shareholders by electronic mail.

Every person authorised to take part at the General Meeting is authorised to be a candidate to the function of the Chairman or Secretary of the General Meeting of Shareholders. The election is made by voting, by an absolute majority of valid votes cast.

A shareholder has the right to participate in the General Meeting of Shareholders and to exercise its right of vote in person or by proxy. The proxy must have a form of a power of attorney given in writing or an electronic form.

Notifications about granting the power of attorney to a proxy in an electronic form via means of electronic communication must be made by sending to the following e-mail address: sekretariat.zarxad@oex.pl, in a .pdf, .jpg, .png or .tif file, of a scan of a power of attorney for the

proxy signed by the shareholder or by persons authorised to act on his behalf, as well as scans of appropriate documents confirming the right of persons signing the power of attorney to act on behalf of the shareholder (extracts from appropriate registers, powers of attorney). Additionally, when sending a scan of the power of attorney, it is necessary to indicate the number of a certificate of the right to participate in the General Meeting of Shareholders issued for a specifically named person.

A member of the Management Board and an employee of the Company may be proxies at the General Meeting of Shareholders in accordance with the conditions set forth in the Code of Commercial Companies. The Code of Commercial Companies also determines the principles of operation of a proxy who is a member of the Supervisory Board, a liquidator or a member of the governing bodies or an employee of the Company's subsidiary company or cooperative.

The General Meeting of Shareholders may appoint a Returning Committee and an Application Committee. The way of proceedings of the Committees are governed by regulations attached to the By-Laws.

The works of the General Meeting of Shareholders are chaired directly by the Chairperson of the General Meeting.

Each item on the agenda is discussed by a commentator appointed in advance.

The Chairperson gives the floor to persons authorised on the first-requested first granted basis, unless the motion concerns a formal issue or concerns a rectification of another motion or concerns the grant of the floor to invited guests.

Formal motions include motions concerning the way of meeting proceedings, and in particular:

- a) change of the order of items on the meeting agenda,
- b) discussion closure or extension,
- c) adjourning the meeting,
- d) referring an issue to a committee,
- e) reduction of the speech time,
- f) voting without discussion,
- g) vote counting.

Motions listed in letters b, c, d, e, are put to voting by the Chairperson after reading the list of persons registered to take the floor. Adoption of a formal motion by the General Meeting does not devoid the commentator of the right to take the floor to answer in the discussion. A motion to refer an issue to a committee supersedes all other motions. The General Meeting resolves by voting on the formal motion after hearing the applicant and one opposing vote, if any.

A formal motion rejected in voting may not be submitted again during the discussion of the same issue.

After the adoption of the motion and voting, the Chairperson does not give the floor to the given issue. After exhaustion (closing) of the discussion over a given item, the Chairperson gives the floor to the commentator in order for him/her to answer the questions raised during discussion and then arranges the voting. From this moment on, the floor may be given only to submit formal motions.

The election of the Company's governing bodies is carried out by the Chairperson with the assistance of the Retuning Committee.

The secret ballot results are presented by the Chairperson of the Returning Committee.

The open voting results are presented by the Chairperson of the Returning Committee or the Chairperson of the General Meeting.

Draft resolutions should be formulated in a way that makes it possible for all entitled persons who do not agree with the resolution subject matter to make an appeal against them.

The Company's shareholders, besides the above-mentioned rights related to the participation in the General Meeting, are also entitled to, without limitation: request the conversion of registered shares into bearer shares (conversion of bearer shares into registered shares as per clause 6 §8 of the Articles of Association is not permitted), disposal of shares, participation in profits disclosed in the financial statements and audited by a chartered auditor appointed by the the General Meeting and allocated to pay dividends to shareholders.

Compositions and changes in the composition that occurred over the last financial year as well as description of the procedures governing the operations of management, supervisory or administrative bodies of the issuer and their committees.

On 01 January 2017, the Supervisory Board was composed of the following persons: Mr Piotr Beaupré – Chairman of the Supervisory Board, Mr Tomasz Słowiński – Secretary of the Supervisory Board and Members of the Supervisory Board: Mr Piotr Cholewa, Mr Tomasz Mazurczak and Mr Michał Szramowski.

On 22 June 2017, the Ordinary General Meeting of Shareholders of the Company appointed members of the Supervisory Board of the sixth term of office, not introducing any changes as to the composition of the Supervisory Board of the Company. The newly appointed Supervisory Board of the Company, during its meeting held on the same day, adopted a resolution appointing Mr Piotr Beaupré to be the Chairman of the Supervisory Board and appointing Mr Tomasz Słowiński to be the Secretary of the Supervisory Board. Until the end of the financial year, there were no changes in the composition and in the functions in the Supervisory Board of the Company

Consequently, throughout 2017, the Supervisory Board was composed of the following persons:

- Piotr Beaupre - Chairman of the Supervisory Board;
- Tomasz Słowiński - Secretary of the Supervisory Board;
- Tomasz Mazurczak - Member of the Supervisory Board;
- Piotr Cholewa - Member of the Supervisory Board;
- Michał Szramowski – Member of the Supervisory Board.

On 14 February 2018, Member of the Supervisory Board of OEX S.A., Mr Tomasz Słowiński, resigned from his function effective as of 5 March 2018 in relation with the intention to apply for the function of Member of the Management Board of the Company.

By virtue of resolution of the Extraordinary General Meeting of Shareholders of the Parent Company dated 5 March 2018, Mr Tomasz Kwiecień, was appointed a Member of the Supervisory Board of the Company effective as of 5 March 2018. On the same day, the Supervisory Board appointed Mr Tomasz Kwiecień the Secretary of the Supervisory Board.

In relation with the above changes, the composition of the Supervisory Board as at the date of publication of the 2017 financial statements of OEX S.A. was as follows:

- Piotr Beaupre - Chairman of the Supervisory Board;
- Tomasz Kwiecień - Secretary of the Supervisory Board;
- Tomasz Mazurczak - Member of the Supervisory Board;
- Piotr Cholewa - Member of the Supervisory Board;
- Michał Szramowski – Member of the Supervisory Board.

The principles of operation of the Supervisory Board are governed by the Code of Commercial Companies, the Articles of Association and the Supervisory Board By-Laws. The Supervisory Board maintains constant supervision over the activities of the Company in all its areas of operation. In order to discharge of its obligations, the Supervisory Board may review all documents of the Company, request reports and explanations from the Management Board and employees as well as review the assets of the Company. Pursuant to the Code of Commercial Companies, the Articles of Association may expand the competences of the Supervisory Board beyond the statutory competences. In case of the issuer, they comprise, without limitation, the appointment of the chartered auditor or approval of certain contracts concluded with economic operators where Members of the Management Board are involved as well as the adoption of the Supervisory Board By-Laws.

The Supervisory Board may adopt valid resolutions only when at least one half of its members are present at the meeting and all members have been invited. Pursuant to the provisions of the Articles of Association, the Supervisory Board members may participate in adopting the Board resolutions by casting their vote in writing through the intermediary of another Supervisory Board member. The Articles of Association of the Company also provide for the possibility of adopting the resolution by the Supervisory Board by correspondence or by means of direct distance communication.

Meetings of the Supervisory Board are convened by its Chairperson, but also at the motion of a Supervisory Board member or the Company's Management Board. Resolutions of the Supervisory Board are adopted by an absolute majority of votes and, in case of an equal division of votes, the vote of the Chairperson shall prevail.

The Supervisory Board By-Laws provide for a possibility of establishing an Audit Committee and Remunerations Committee within the framework of the Board.

On 01 January 2017, the Management Board was composed of the following persons: Mr Jerzy Motz – President of the Management Board, Mr Robert Krasowski – Member of the Management Board, Mr Rafał Stempniewicz – Member of the Management Board and Mr Artur Wojtaszek – Member of the Management Board.

On 14 March 2017, the Supervisory Board of the Company appointed Mr Tomasz Kwiecień a member of the Management Board.

Consequently, as of 14 March 2017, the Management Board was composed of the following persons:

- Jerzy Motz - President of the Management Board;
- Robert Krasowski - Member of the Management Board;

- Rafał Stempniewicz - Member of the Management Board;
- Artur Wojtaszek - Member of the Management Board;
- Tomasz Kwiecień - Member of the Management Board.

On 31 January 2018, Mr Tomasz Kwiecień – Member of the Management Board of OEX S.A. resigned from his function. effective as of 6 March 2018, Mr Tomasz Słowiński was appointed a Member of the Management Board of OEX S.A.

In relation with the above changes, the composition of the Management Board as at the date of publication of the 2017 financial statements of OEX S.A. was as follows:

- Jerzy Motz - President of the Management Board;
- Robert Krasowski - Member of the Management Board;
- Rafał Stempniewicz - Member of the Management Board;
- Artur Wojtaszek - Member of the Management Board;
- Tomasz Słowiński – Member of the Management Board.

The principles of operation of the Management Board are governed by the Code of Commercial Companies, the Articles of Association and the Management Board By-Laws. The Management Board manages the Company and represents it externally. The scope of competence of the Management Board includes all issues related to the management of the Company not reserved by the law or the Articles of Association to the exclusive competence of the Meeting of Shareholders or the Supervisory Board. The power to make declarations on behalf of the Company rests with the President of the Management Board acting autonomously, two Members of the Management Board acting jointly or one Member of the Management Board acting jointly with a commercial proxy. Members of the Management Board are appointed by the Supervisory Board for a joint 5-year term of office. The works of the Management Board are managed by the President who also represents the Management Board before the Supervisory Board and the General Meeting of Shareholders. Meetings of the Management Board are convened by the President of the Management Board, also upon request of a Management Board Member. Resolutions of the Management Board may be adopted during its meetings and, in extraordinary cases and considering the reasonable interests of the Company also by in a circular manner or by correspondence. Resolutions of the Management Board are adopted by an absolute majority of votes and, in case of an equal division of votes, the vote of the President of the Management Board shall prevail. Detailed regulations concerning the Management Board operations are governed by the By-Laws approved by the Supervisory Board.

There were no committees appointed neither within the framework of the Management Board of the Company in 2017.

On 29 September 2017, the Audit Committee was appointed within the Supervisory Board of the Company. The Audit Committee performs the tasks laid down in the Statutory Auditors, Audit Companies and Public Supervision Act of 11 May 2017. In 2017, the Audit Committee was composed of the following persons: Tomasz Mazurczak as Chairman of the Audit Committee, and Michał Szramowski and Tomasz Słowiński as its Members.

In relation with the resignation of Mr Tomasz Słowiński from the function of the Member of the Supervisory Board effective as of 5 March 2018, he ceased to be a member of the Audit Committee as of 5 March 2017 too. On 5 March 2017, the Supervisory Board appointed Mr Tomasz Kwiecień a member of the Audit Committee.

In relation with the above changes, the composition of the Audit Committee as at the date of publication of the 2017 financial statements of OEX S.A. was as follows:

- Tomasz Mazurczak – Chairman of the Audit Committee;
- Michał Szramowski – Member of the Audit Committee;
- Tomasz Kwiecień – Member of the Audit Committee.

Jerzy Motz
President of the Management Board

Robert Krasowski
Member of the Management Board

Artur Wojtaszek
Member of the Management Board

Rafał Stempniewicz
Member of the Management Board

Tomasz Kwiecień
Member of the Management Board