

**Assessment of the situation of the Company, including an assessment of its internal control system
and the risk management, assessment of the way OEX S.A.
discharges its information obligations concerning the corporate governance and
assessment of the rationality of the Company's policy concerning sponsoring, charitable
or similar activities**

I. Brief assessment of the situation of OEX S.A. in 2015

The Supervisory Board prepared the assessment of the Company on the basis of the ongoing review and analysis of the affairs of the OEX Group, discussions with the Company's Management Board and review of the financial statements for the first half and for the financial year 2015, as well as the quarterly financial statements for the first and third quarters of 2015.

The Supervisory Board positively assesses OEX S.A.'s achievements of 2015, the financial performance and the activities undertaken with a view to increasing the value of the OEX Group. The Group ended 2015 with the consolidated results that were the highest in its history. The revenues from the sale in 2015 amounted to PLN 344.17 million and were higher by 38.4% than in the corresponding period of 2014. The operating profit was PLN 17.72 million and was higher than the one achieved in 2014. EBITDA amounted to PLN 21.96 million and was higher by 74% than in 2014, and the net profit attributable to the shareholders of the parent company amounted to PLN 11.19 million and grew by 86% when compared to 2014.

In the opinion of the Supervisory Board, the most important event significantly influencing the Company's situation and the Group's situation in 2015 was the acquisition in March 2015 of the shares in Cursor S.A. and in Divante Sp. z o.o.. This acquisition was a consequence of the pursuit of the business diversification strategy by the Company's Management Board.

In the third quarter of 2015, the company t/a OTI Sp. z o.o. with registered office in Poznań was established. Its only shareholder is OEX S.A. OTI Sp. z o.o. was established in the performance of resolution of the General Meeting of Shareholders of 30 September 2015 concerning the spin-off from OEX S.A. of operating activities concerning the provision of services on the basis of the agency agreement with Orange Polska S.A. On 11 January 2016, by virtue of resolution No. 1 of the Extraordinary General Meeting the business name of a company was changed from OTI Sp z o.o. to TELL Sp. z o.o.

In the new structure of the OEX Group, 3 strategic business segments were created. Each one concentrates on specific key competences of the OEX Group:

- 1) Retail Network Management (operationally, this business is carried out by subsidiary Tell Sp. z o.o.)
- 2) Sale Support segment (operationally, this business is carried out by subsidiary Cursor S.A.)
- 3) E-business (operationally, this business is carried out by subsidiary Divante Sp. z o.o. and subsidiary Cursor S.A.)

The main objects of the business of the parent company OEX S.A. is now the strategic and financial management of the portfolio of subsidiaries of the Group and the pursuit of the policy of take-overs and new business initiatives.

In result of the above decisions and the activities undertaken, on the one hand there was an increase in the value of revenue and profits generated by the OEX Group in 2015 (mainly due to the consolidation of Cursor S.A. and Divante Sp. z o.o.) and on the other hand – significant reduction of the dependence of the financial performance of the Group on the mobile phone market and on conditions of cooperation with the operators: Orange, T-Mobile and Plus.

The highest share in the Group's total operating result in 2015 was held by the Retail Network Management Segment – 55% (kPLN 9,770). The remaining 45% of the operating profit was generated by the new segments created after the take-over of Cursor S.A. and Divante Sp. z o.o., whereby the share of the Sale Support Segment amounted to 25% (kPLN 4,388), and the E-Business Segment 19% (kPLN 3,367).

In the assessment of the Supervisory Board, the Company's situation is good and non-threatened, considering its permanent profitability. Having regard to the current situation of the Company and its future perspectives, the Supervisory Board gave its positive opinion on the motion of the Management Board concerning the distribution of net profit earned by the Company in 2015 by paying a dividend to the shareholders in the amount of PLN 0.75 per share.

II. Assessment of the internal control and risk management in the OEX Group

The Supervisory Board in cooperation with the Management Board of the Company analyses on an ongoing basis the market environment and the risk factors the OEX Group is exposed to.

In 2015 the internal control system of the OEX Group was suited to the needs of the then-business of the Company, i.e. the distribution of mobile phone-related services and comprised:

- institutional control – ensured by the internal control department as regards the observance of the principles of provision of services on the basis of agreements with operators, protection of personal data, protection of the assets of considerable value entrusted to the Company, correctness of settlements;
- functional control - ensured on an ongoing basis by all employees and collaborators as part of their responsibilities and powers, including the ex-post control carried out by the managers of the Company's organisational units.

After the business diversification carried out by the Company and after the creation of 3 strategic business segments described in item I herein above, the Company's Management Board and management ensure a permanent and multi-stage supervision over particular business segments. Furthermore, the assessment of risk factors related to particular business objectives resulting from the Management Board-adopted strategy is carried out on an ongoing basis. In response to the risks identified, the Management Board and the management make ongoing changes to the procedures in place.

The main elements of the internal control and risk management system make up part of the Group's business processes and comprise, without limitation:

- procedures and regulations concerning, without limitation: delegation of powers and authorisations concerning decisions, assessment of business projects,
- result reporting and control processes related to particular business areas,
- control of the IT systems supporting the business processes and monitoring the operation of the systems themselves.

The Company identifies, monitors and manages on an ongoing basis the risks related to the business of the entire OEX Group.

The OEX Group's financial risk management is coordinated by the Parent Company in close cooperation with the Management Boards of subsidiaries. In the risk management process, the following objectives are of the highest importance:

- performance of the financial forecasts by the performance of budgetary assumptions;
- hedging of short-term and mid-term cash flows;
- achievement of the rate of return on long-term investments and obtaining optimal sources of finance for the investing activities.

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.

Along with the changes in the organisation of the OEX Group, the Management Board of the Company decided to develop and implement a *compliance* system, the purpose of which would be to manage the compliance risk of the OEX Group both as regards the legal

regulations and the internal procedures and standards. In relation with the changes effective from 3 July 2016 as regards the operations of listed companies, the Company pays special attention to the implementation of procedures ensuring the proper performance of information obligations as part of the Group, mainly by establishing clear procedures concerning the handling of confidential information within the OEX Group, the principles of classification of given information as confidential as well as the principles of cooperation in this regard between all companies of the OEX Group.

The Supervisory Board of OEX S.A., as a permanent supervisory body, positively assesses the internal control and risk management system in place in the Company as adequate to the size and business profile of the Company.

III. Assessment of the performance by OEX S.A. of information obligations concerning the application of the corporate governance rules

The information obligations concerning the application of the corporate governance rules are defined in the Regulations of Warsaw Stock Exchange and in the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information to be disclosed by security issuers and on conditions of recognition of information required by the laws of a state that is not a member-state (*Journal of Laws* No. 33 item 259). The principles of provision of ongoing reports concerning the application of detailed corporate governance rules are defined in the Resolution of the Management Board of the Warsaw Stock Exchange No. 1309/2015 dated 17 December 2015.

The Warsaw Stock Exchange Regulations stipulate that when a given corporate governance rule is not applied on a permanent basis or is incidentally breached, the issuer is obliged to publish a report on this matter. The report should be published at the issuer's official website and in the way analogous to that applied to submission of current reports. Pursuant to the Resolution of the Management Board of the Warsaw Stock Exchange No. 1309/2015 reports concerning the application of detailed corporate governance rules are submitted via the Electronic Information Base (EBI).

The Regulation of the Minister of Finance of 19 February 2009 clarified what information should be included in the statement on the application of corporate governance constituting a separate part of the report on activities of the issuer in the Annual Report of the Company.

Additionally, it should be stressed that until the end of 2015, the Code of Good Practices of the WSE Listed Companies was in force. This Code came into effect on 1 January 2013. On 1 January 2016, a new set of corporate governance rules came into force under the title of 'Code of Good Practices of the WSE Listed Companies 2016'.

The Supervisory Board familiarised with the statement on the application of the corporate governance attached to the Annual Report of OEX S.A. and the Annual Report of the OEX Group. The statement describes in detail the corporate governance-related matters and contains information laid down in the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information to be disclosed by security issuers and on

conditions of recognition of information required by the laws of a state that is not a member-state.

Furthermore, OEX S.A. pursuant to item I.Z.1.13. of the 'Code of Good Practices of the WSE Listed Companies 2016' publishes on its website the information on the application by the Company of rules and recommendations included in the above-mentioned document.

The Supervisory Board is of the opinion that OEX S.A. correctly discharges its information obligations related to the application of the corporate governance rules. The information published by OEX S.A. is compliant with the requirements and reliably present the state of affairs as it concerns the application of the corporate governance rules.

IV. Assessment of the rationality of the Company's policy concerning sponsoring, charitable or similar activities

Pursuant to rule II.Z.10.4. contained in the Code of Good Practices of the WSE Listed Companies 2016, the Supervisory Board presents its assessment of the rationality of the Company's policy as mentioned in recommendation I.R.2. of the Code of Good Practices of the WSE Listed Companies 2016, i.e. in the scope related to its sponsoring, charitable or similar activities.

OEX S.A. becomes engaged in socially responsible activities related to education, assistant for children and young people in difficult situations as well as related to environment protection promotion.

Since 2006, the Company has cooperated with the Poznan Lions Club, actively supporting charitable and cultural actions, the proceeds from which is used to, without limitation, purchase rehabilitation equipment, school aids and therapeutic centre facilities.

The OEX Group companies carry out activities aimed at increasing the awareness of significant social problems and encouraging the involvement of all employees in the pursuit of social responsibility area projects. Employee volunteering plays an important role in these activities. The employees of OEX S.A. and of the OEX Group companies receive the support of the organisation in the actions they engage in or they help *pro bono* by providing work or services in their areas of competence.

The Company publishes information about its charity-related activities on its website www.oex.pl in section 'Social Responsibility'.

The Supervisory Board of OEX S.A. states that:

- a) despite the fact that currently the Company has no policy in place concerning its sponsoring and charitable activities prepared in the form of a document, considering the marginal character of such activity, the Supervisory Board has assessed that the Company's activities in this area are reasonable and adequate to the financial possibilities and human resources held;

- b) the Supervisory Board initiated talks with the Management Board of the Company aimed at the development of a document concerning the sponsoring and charity policy that would reflect the policy applied by the Company's authorities and management in this respect and the actions carried out by the Company.