

Report of the Supervisory Board of Agora S.A. (the “Company”) on its activities in 2014

Translation only

I. In the fiscal year 2014 the Supervisory Board of Agora S.A. („the Supervisory Board”, “the Board”) performed its duties in the following composition:

1. since January 1st, 2014 till June 24th, 2014

- 1) Andrzej Szlęzak – Chairman of the Board,
- 2) Dariusz Formela - Member of the Board,
- 3) Helena Łuczywo – Member of the Board,
- 4) Tomasz Sielicki – Member of the Board,
- 5) Sławomir S. Sikora – Member of the Board.

2. since June 24th, 2014 till November 6th, 2014

- 1) Andrzej Szlęzak – Chairman of the Board,
- 2) Dariusz Formela - Member of the Board,
- 3) Wanda Rapaczynski – Member of the Board,
- 4) Tomasz Sielicki – Member of the Board,
- 5) Sławomir S. Sikora – Member of the Board.

3. since November 6th, 2014 till December 31st, 2014

- 1) Andrzej Szlęzak – Chairman of the Board,
- 2) Dariusz Formela - Member of the Board,
- 3) Wanda Rapaczynski – Member of the Board,
- 4) Tomasz Sielicki – Member of the Board,
- 5) Sławomir S. Sikora – Member of the Board,
- 6) Paweł Mazur - Member of the Board.

II. The activities of the Supervisory Board in the fiscal year 2014 were mainly focused on:

- 1) monitoring and discussing with the Management Board:
 - the Company’s and Group’s financial results,
 - market position in the respective sectors of business activities,
 - consulting annual budget as well as the Company’s and Group’s competitive and investment strategies,
 - consulting the Management Board on crucial business decisions;
- 2) analyzing and setting compensation and incentive compensation of the members of the Management Board.

The activities of the Supervisory Board were not limited to formal meetings. The members of the Supervisory Board, supporting the Management Board, participated in working meetings and workshops.

Furthermore, the members of the Supervisory Board participated in the activities of two advisory bodies of the Supervisory Board: the Audit Committee and the Human Resources and Remuneration Committee, both created on the basis of §18 item 3 of the Company’s Statute.

The objectives of the Audit Committee include, inter alia:

- 1) exercising supervision in the area of monitoring the financial reporting of the Company and the Agora Group as well as financial audit, by performing actions including, in particular:
 - monitoring the process of drawing up financial statements,
 - presenting recommendations to the Supervisory Board regarding approval of the annual financial statements examined by an external auditor, "Report of the Supervisory Board of Agora S.A. (the "Company") on its activities in 2014
 - monitoring the reliability of the financial information presented by the Company.
- 2) exercising supervision in the area of monitoring the internal audit systems, internal audit and risk management, by performing actions including, in particular:
 - a review, performed at least once a year, of the internal audit and risk management procedures to ensure compliance with the law and internal regulations,
 - an assessment of the observance of the risk management rules and presentation of recommendations in this regard.
- 3) exercising supervision in the area of monitoring the independence of external auditors, by performing actions including, in particular:
 - presenting recommendations to the Supervisory Board regarding selection, appointment, reappointment and dismissal of the subject carrying out the examination of the financial statements (external auditor) and the rules and conditions of employment of this subject,
 - monitoring independence of the auditor with regard to the audits carried out by him,
 - discussing the course of the audit process with the auditor.

Report from the activities and statement of the Audit Committee for 2014 are included in the attachment no.1 to this Report.

The objectives of the Human Resources and Remuneration Committee include, inter alia:

- 1) providing advice to the Supervisory Board with regard to the criteria of selection and the procedures of appointment of Management Board members in the cases provided for in the Statute of the Company,
- 2) providing advice to the Supervisory Board with regard to the procedures ensuring proper succession of Management Board members in the cases provided for in the Statute of the Company,
- 3) providing advice to the Supervisory Board with regard to potential candidates to the post of Management Board member in the cases provided for in the Statute of the Company,
- 4) carrying out periodic assessments of the rules of remunerating Management Board members and submitting appropriate recommendations in this respect to the Supervisory Board,
- 5) preparing recommendations regarding the remuneration amount and the granting of additional benefits to individual Management Board members for the purpose of their consideration by the Supervisory Board.

Report from the activities and statement of the Human Resources and Remuneration Committee for 2014 are included in the attachment no. 2 to this Report.

III. The Supervisory Board exercised supervision and monitoring over the Company during the meetings convened in conformity with § 23 of the Company's Statute.

- 1) **January 28th, 2014** – during the meeting the Supervisory Board discussed the project of digital transformation of *Gazeta Wyborcza* and resolved on remuneration of Mrs. Wanda Rapaczynski – member of the Company's Management Board.
- 2) **April 3rd, 2014** – during the meeting the Supervisory Board discussed, inter alia:
 - operating and financial results for 2014, including information presented by the Audit Committee after the meeting with the internal Auditor,
 - draft report on compliance with the corporate governance rules in 2013,
 - strategy, development and acquisition projects, and annual budget for 2014,
 - report of the Supervisory Board of Agora S.A. on the performance of its and its advisory bodies.

During the meeting, the following resolutions were adopted by the Supervisory Board:

- on adopting reports of the Supervisory Board, Human Resources and Remuneration Committee and Audit Committee on the performance of their duties in 2013,
- on auditor selection,
- on adopting annual bonus remuneration for management board members for 2013,
- on discretionary awards for management board members,
- on annex to employment contract of employment with the president of the management board.

3) **May 9th, 2014** – during the meeting the Supervisory Board discussed, inter alia:

- presentation of the financial results for the first quarter of 2014,
- development and acquisition projects,
- matters related to General Meeting of Shareholders.

During the meeting, the following resolutions were adopted by the Supervisory Board:

- resolution no. 1 concerning:
 - o the results of evaluation of: the non-consolidated financial statements of the Company for the year 2013, the consolidated financial statement of the Agora S.A. Group for the year 2013, the Management Board report on activities of the Company in the year 2013, the Management Board report on activities of the Agora S.A. Group in year 2013 and the Management Board proposal on coverage of net profit for the year 2013,
 - o the submission of the above evaluation to General Meeting of Shareholders,
 - o motion to grant a vote of acceptance to the members of the Management Board on the performance of their duties in 2013;
- resolution no. 2 – report of the Supervisory Board regarding the concise evaluation of the situation of the company in 2013, including the evaluation of the risk control and management systems in the Company.
- resolution no. 3 – 6 – on annexes to the employment contracts with the members of the Management Board,
- resolution no. 7 – on setting the criteria of motivation plan for Management Board members for 2014 and amendments of the criteria for bonus payment in the period of 2013 – 2015.

4) **August 13th, 2014** - during the meeting the Supervisory Board discussed, inter alia:

- operating and financial results for the first half of 2014, including the information submitted by the Audit Committee after the meeting with the Internal and External Auditor,
- the Company's and Group's current situation.

During the meeting, the Supervisory Board adopted resolution concerning report of Audit Committee on the performance of its duties in first half of 2014.

5) **November 6th, 2014** - during the meeting the Supervisory Board discussed, inter alia:

- financial results for the third quarter of 2014,
- matters important to the Company,
- meeting of the Audit Committee with the Internal Auditor,
- the proposed schedule of meeting in 2015.

During the meeting, the following resolutions were adopted by the Supervisory Board:

- o on adopting the unified text of the Company's Statute,
- o on co-optation of Mr. Paweł Mazur to the Company's Supervisory Board,
- o on appointment Mr, Paweł Mazur to the Audit Committee to replace Mr. Andrzej Szlezak.

In 2014, the Supervisory Board adopted one resolution in the written mode, in accordance with § 23 of the Company's Statute on granting the permission to purchase company car for a member of the Management Board.

The Chairman of the Supervisory Board

Andrzej Szlezak