

Resolution no. [...]
of the Supervisory Board of Agora S.A.
as of 30 March 2017

on adopting the Supervisory Board's report on its activities in 2016

1. The Supervisory Board adopts the report of the Supervisory Board of Agora S.A. on its activities in 2016, in the wording that represents attachment no. 1 to this resolution.
2. The resolution enters into force as of its passing.

Supervisory Board:

Andrzej Szlęzak
President of the Supervisory Board

Wanda Rapaczynski
Member of the Supervisory Board

Anna Kryńska-Godlewska
Member of the Supervisory Board

Tomasz Sielicki
Member of the Supervisory Board

Dariusz Formela
Member of the Supervisory Board

Andrzej Dobosz
Member of the Supervisory Board

**Report on activities
of the Supervisory Board of Agora S.A. (hereinafter the "Company") in 2016.**

I. The composition of the Supervisory Board of Agora S.A. (hereinafter the "Supervisory Board," "Board") in the fiscal year 2016:

In the period from 1 January 2016 to 23 June 2016 the Supervisory Board was composed of:

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

In the period from 24 June 2016 to 31 December 2016 the Supervisory Board was composed of:

1. Andrzej Szlęzak – Chairman of the Board,
2. Wanda Rapaczynski – Member of the Board,
3. Anna Kryńska – Godlewska – Member of the Board,
4. Tomasz Sielicki – Member of the Board,
5. Dariusz Formela – Member of the Board,
6. Andrzej Dobosz – Member of the Board.

II. The activities of the Supervisory Board in the fiscal year 2016 were mainly focused on the following matters:

- 1) monitoring and discussing with the Management Board:
 - the Company's and Agora Group's financial results,
 - the market position of Agora Group in the respective sectors of business activities,
 - the Company's and Agora Group's budget as well as competitive and investment strategies,
 - crucial business projects and decisions, including acquisitions,
 - exercising supervision in the area of monitoring the internal audit systems, internal audit and risk management,
 - exercising supervision in the area of monitoring the independence of external auditors.
- 2) adopting reports on annual and semi-annual activities of the Board's advisory bodies and the Board itself.
- 3) recommending to the General Meeting:
 - results of evaluation of the Company's and Agora Group's financial statements for 2015,
 - results of evaluation of the Management Board's report on the Company's and Agora Group's activities for 2015,
 - results of situation of the Company's standing in 2015,
 - applications to grant a vote of acceptance to the members of the Management Board on the performance of their duties in 2015,
 - opinion on the evaluation of the Management Board's proposal on distribution of the Company's profit for 2015 and payment of a dividend to the Company's shareholders;
- 4) analysing and determining remuneration and incentive benefits to members of the Company's Management Board.

The activities of the Supervisory Board, apart from formal meetings, were focused on providing support to the Members of the Company's Management Board through participation in working meetings and numerous consultations. Furthermore, the members of the Supervisory Board participated in the activities of two

advisory bodies of the Supervisory Board, that is the Audit Committee and the Human Resources and Remuneration Committee.

The objectives of the Audit Committee in 2016 included, inter alia:

- 1) exercising supervision in the area of monitoring the financial reporting of the Company and Agora Group as well as financial audit, by performing actions including in particular:
 - monitoring the process of drawing up financial statements (quarterly, semi-annual and annual),
 - presenting recommendations to the Supervisory Board regarding approval of the annual financial statement examined by an external auditor,
 - monitoring the reliability of 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 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:
 - monitoring independence of the external auditor with regard to the audits carried out by him,
 - discussing the course of the audit process with the external auditor.

Report on the activities in 2016 and statement of the Audit Committee are included in attachment no. 1 to this report.

The objectives of the Human Resources and Remuneration Committee in 2016 included, inter alia:

- 1) carrying out periodic assessments of the rules of remunerating Management Board members and submitting appropriate recommendations in this respect to the Supervisory Board,
- 2) 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 on the activities in 2016 and statement of the Human Resources and Remuneration Committee are included in attachment no. 2 to this report.

III. In the fiscal year 2016 there were six Supervisory Board meetings:

- 1) **16 February 2016** – the Supervisory Board:
 - listened to an account of the Audit Committee meeting and adopted the recommendations that were presented,
 - listened to an account of the Human Resources and Remuneration Committee meeting and adopted the recommendations that were presented,
 - discussed the operating and financial results of the Company and Agora Group for the fourth quarter of 2015,
 - discussed the budget of the Company and Agora Group for 2016,
 - adopted a resolution on adopting a declaration regarding identification, management and prevention of conflicts of interest of persons being members of the Supervisory Board of Agora S.A.
- 2) On **31 March 2016** the Supervisory Board:
 - listened to an account of the Audit Committee meeting and adopted the recommendations that were presented,

- listened to an account of the Human Resources and Remuneration Committee meeting and adopted the recommendations that were presented,
 - discussed the operating and financial results of the Company and Agora Group for 2015,
 - discussed the draft statement and the report of the Company's Management Board concerning application of the principles of corporate governance by the Company in 2015,
 - adopted a resolution on accepting the report of the Supervisory Board and its advisory bodies on their activities in 2015,
 - adopted a resolution on compliance with the "Good Practices in Companies Listed on the WSE 2016" within the scope applicable to supervisory board members, and each of the Supervisory Board Members signed a Statement on compliance/non-compliance with the criteria of independence stipulated in the "Good Practices in Companies Listed on the WSE 2016".
- 3) On **7 April 2016** the Supervisory Board:
- listened to an account of the Human Resources and Remuneration Committee meeting and adopted the recommendations that were presented,
 - adopted resolutions on determining the amount of the incentive compensation for the Company's Management Board Member for three fiscal years 2013-2015 (Three-Year Plan),
 - adopted a resolution on determining the conditions of the motivation plan for the Company's Management Board Members for 2016-2017.
- 4) On **12 May 2016** the Supervisory Board:
- listened to an account of the Audit Committee meeting and adopted the recommendations that were presented,
 - discussed the operating and financial results of the Company and Agora Group for the first quarter of 2016,
 - adopted resolutions on determining compliance with the criteria of independence with respect to three Supervisory Board Members,
 - adopted a resolution, while accounting for the recommendation of the Audit Committee, on:
 - ✓ evaluation of: the non-consolidated financial statement of the Company for the fiscal year 2015, the consolidated financial statement of Agora S.A. Capital Group for the fiscal year 2015, the Management Board report on activities of the Company in the fiscal year 2015, the Management Board report on activities of Agora S.A. Capital Group in the fiscal year 2015 and the Management Board proposal on distribution of net profit for the fiscal year 2015,
 - ✓ the submission of the above evaluation to General Meeting of Shareholders,
 - ✓ applications to grant a vote of acceptance to the members of the Management Board on the performance of their duties in 2015,
 - adopted a resolution on evaluation of the Company's situation in 2015, while accounting for the recommendation of the Audit Committee,
 - adopted a resolution on accepting the report of the Supervisory Board and its advisory bodies on their activities in 2015 (*update, in accordance with amended regulations*),
 - evaluated the draft resolutions for the General Meeting of Shareholders.
- 5) On **11 August 2016** the Supervisory Board:
- selected the members of the advisory bodies: the Audit Committee and the Human Resources and Remuneration Committee,
 - listened to an account of the Audit Committee meeting and adopted the recommendations that were presented,
 - discussed the operating and financial results of the Company and Agora Group for the first six months of 2016,
- 6) On **9 November 2016** the Supervisory Board:
- listened to an account of the Audit Committee meeting and adopted the recommendations that were presented, including the discussion of the financial results of Agora Group in the third quarter of 2016,

- adopted a resolution on adopting the semi-annual report on activities in 2016 and a statement by the Audit Committee,
- discussed projects that are crucial to the Company,
- discussed the proposed dates of publication of periodic reports and meetings of the Supervisory Board and its advisory bodies in 2017,
- adopted a resolution on amending the employment contract with a Member of the Company's Management Board and on granting authorisation to the Chairman of the Supervisory Board to sign an annex to the employment contract.

The Supervisory Board in 2016 adopted resolutions in the written mode stipulated in § 23 sec. 1 of the Company's Statute:

- 1) resolution 1/2016 – 4/2016 – on amending the employment contracts with Members of the Company's Management Board and on granting authorisation to the Chairman of the Supervisory Board to sign annexes to the employment contracts,
- 2) resolution 5/2016 – 7/2016 on providing business cars for use by Members of the Company's Management Board,

IV. Self-evaluation of the Supervisory Board

Pursuant to rule II.Z.10.2. of the Good Practices in Companies Listed on the WSE 2016, the Supervisory Board prepared an evaluation of its work in the fiscal year 2016.

The Supervisory Board provides constant supervision over the Company's activity in its all areas. In accordance with the provisions of the Company's Statute, the Supervisory Board holds its sessions regularly once in a quarter or on an ad hoc basis, if necessary, considering matters which are attributed to the Supervisory Board's competence by the Statute or the Commercial Companies Code. Additionally, the Supervisory Board's activity is supported by two committees appointed from among the Supervisory Board members: the Audit Committee and the Human Resources and Remuneration Committee; the scope of duties of these committees is described in point II of this report.

All the Supervisory Board members hold appropriate qualifications and professional experience in large companies or law firms, which enables them to perform the duties of a Member of the Supervisory Board in an effective manner.

The Supervisory Board evaluates that in 2016 the Supervisory Board acted in an effective way which guaranteed appropriate supervision of the Company, and cooperated with the Company's Management Board both during official meetings and additional informal consultation sessions.

V. Evaluation of independence of the Supervisory Board Members

The Supervisory Board is composed of 6 members in accordance with §18 of the Company's Statute. The Supervisory Board analysed in detail the statements submitted by its members regarding compliance with the independence criteria.

The majority of the Company's Supervisory Board Members satisfy the independence criteria, and therefore the current composition of the Supervisory Board meets the requirement stipulated in item II.Z.3 of the Good Practices in Companies Listed on the WSE 2016.

The current composition of the Supervisory Board guarantees a wide spectrum of professional experience of its members, which enables correct evaluation of the work of the Company's Management Board and the Company's activities based on the substantive knowledge of the areas in which the Company develops its enterprises.

Andrzej Szlęzak
Chairman of the Board