

Report
on activities of Supervisory Board of Dekpol S.A.
in the financial year 2015

Legal basis:

Best Practice of GPW Listed Companies 2016

Pinczyn, May 2016

The report includes information on:

- I. The composition of the Supervisory Board of Dekpol S.A. and its committees.
- II. Meeting by Members of the Supervisory Board of Dekpol S.A. of independence criteria.
- III. The number of meetings of the Supervisory Board of Dekpol S.A. and its committees during the reporting period.
- IV. Policy on sponsorship activities, charity or any other of a similar nature.
- V. Self-assessment of the Supervisory Board of Dekpol S.A.

I. Composition of Supervisory Board of Dekpol S.A. and its committees.

I.A.

In accordance with the provisions of § 18 of the Articles of Association, the Supervisory Board consists of 3 to 5 members and, in case of obtaining by the Company of public company status, it consists from five to seven members. Supervisory Board members are appointed and removed by resolution of the General Meeting of Shareholders. General Meeting of Shareholders delegates the function of a Chairman to one of its members and to another member the function of Vice-Chairman of Supervisory Board.

In financial year 2015, the Supervisory Board consisted of the following persons:

- 1) Roman Suszek – Chairman of the Supervisory Board.
- 2) Jacek Grzywacz – Vice-Chairman of the Supervisory Board.
- 3) Piotr Stobiecki – Member of the Supervisory Board.
- 4) Krzysztof Czerkas – Member of the Supervisory Board.
- 5) Jacek Kędzierski – Member of the Supervisory Board.

By Resolution from 30 June 2015, General Meeting of Shareholders entrusted Mr Jacek-Grzywacz – hitherto member of Supervisory Board, to serve the function of Vice-Chairman of the Supervisory Board.

I.B.

In accordance with the provisions of § 4. 4 of the Regulations of the Supervisory Board, within the Council can be created internal committees (including the Audit Committee), whose main function is advisory and assessment as well as formulation of recommendations and evaluation in selected matters being in a competence of Supervisory Board. Committees are created and abolished in the way of resolution of the Supervisory Board. In the resolution on the establishment, Supervisory Board, in particular:

- 1) indicates the name of the committee,
- 2) specifies the minimum number of members,
- 3) appoints the members of the committee, including the chairman of the committee,
- 4) defines the scope of the issues and tasks of the committee, which may also occur by indication of specific provisions of the Regulations.

The Audit Committee in the company Dekpol S.A. was created on the basis of the resolution of Supervisory Board dated on 29 September 2014.

In the financial year 2015, within the Supervisory Board has been functioning the Audit Committee, which consisted of 3 members of the Supervisory Board:

- 1) Jacek Kędzierski – Chairman of the Audit Committee.
- 2) Jacek Grzywacz – Member of the Audit Committee.
- 3) Krzysztof Czerkas – Member of the Audit Committee.

Audit Committee held regular internal audit in the Company. Committee dealt basically with the analysis of financial data, including consolidated data. The Audit Committee gave the Supervisory Board current recommendations, including the appointment of the independent auditor, financial statements, approval of annual reports of the Company and the Capital Group.

II. Meeting by Members of the Supervisory Board of Dekpol S.A. of independence criteria.

According to the declarations submitted by the members of the Supervisory Board, the criteria of independence meets 4 members of Supervisory Board:

- 1) Roman Suszek
- 2) Krzysztof Czerkas
- 3) Jacek Grzywacz
- 4) Jacek Kędzierski

III. Information on the number of meetings of the Supervisory Board of Dekpol S.A. and its committees during the reporting period

In the financial year 2015, Supervisory Board of Dekpol S.A. has met 6 times, on:

- 1) 30 March 2015
- 2) 22 April 2015

3) 21 May 2015

4) 12 August 2015

5) 30 September 2015

6) 15 December 2015

In addition, Supervisory Board adopted on 6 November 2016 one resolution by means of distance communications.

In the financial year 2015 there were 3 meetings of Audit Committee, held on:

1) 22 April 2015

2) 30 September 2015

3) 15 December 2015

IV. Policy on sponsorship activities, charity or any other of a similar nature.

The Company does not conduct sponsorship activities, charity or any other of a similar nature, and therefore the company does not pursue a policy in this respect.

V. Self-assessment of Supervisory Board of Dekpol S.A.

Supervisory Board of Dekpol S.A. evaluates its work in 2015 as effective. The meetings usually took place with full attendance. Occasionally, in justified cases, one member of the Supervisory Board did not participate in the meetings, but remained at the full disposal of Supervisory Board by means of direct remote communication. Legally required quorum has been always maintained.

In the financial year 2015, all members of the Supervisory Board were duly involved in the work of Supervisory Board. All Supervisory Board Members remained in constant contact with Management Board by conducting consultations on matters related to the business activities of the Company. Supervisory Board Members also stayed in constant contact with each other on matters relating to the current business activities of the Company, irrespective of the dates of meetings of Supervisory Board

The functioning of the Supervisory Board meets all requirements set in rules of Best Practice of GPW Listed Companies.