

Draft Resolution for meeting of the Supervisory Board of 7 March 2018

“Resolution No [...]

Adopted by the Supervisory Board of Agora S.A. on 7 March 2018 concerning the approval of the report of the Supervisory Board on operations in 2017

1. The Supervisory Board accepts the report of the Supervisory Board of Agora S.A. on operations in 2017 in the wording appended hereto as Appendix No 1.
2. The Resolution shall enter into force on the date of its adoption.

The Supervisory Board:

Andrzej Szlęzak

Chairman of the Supervisory Board */illegible signature/*

Wanda Rapaczynski

Member of the Supervisory Board */illegible signature/*

Tomasz Sielicki

Member of the Supervisory Board */illegible signature/*

Dariusz Formela

Member of the Supervisory Board */illegible signature/*

Tomasz Wiśniewski

Member of the Supervisory Board */illegible signature/*

Andrzej Dobosz

Member of the Supervisory Board */illegible signature/*

Appendix 1 to Resolution No [...] of the Supervisory Board of 7 March 2018

Report on Operations of the Supervisory Board of Agora S.A. ("Company") in 2017

I. Composition of the Supervisory Board of Agora S.A. ("Supervisory Board", "Board") in 2017:

From 1 January 2017 to 8 November 2017, the Supervisory Board Members were:

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

From 9 November 2017 to 31 December 2017, the Supervisory Board Members were:

1. Andrzej Szlęzak - Chairman of the Supervisory Board,
2. Wanda Rapaczynski - Member of the Supervisory Board,
3. Tomasz Sielicki - Member of the Supervisory Board,
4. Dariusz Formela - Member of the Supervisory Board
5. Andrzej Dobosz - Member of the Supervisory Board.
6. Maciej Wiśniewski - Member of the Supervisory Board.

II. The activities of the Supervisory Board in 2017 were primarily focused on the following issues:

- 1) monitoring and discussing with the Management Board:
 - the Company's and Agora Group's financial results,
 - the Agora Group's market position in the areas of its activity,
 - the budget, competition and investment strategy of the Company and of the Agora Group,
 - the material projects and business decisions, including decisions on acquisition,
 - oversight and supervision in respect of monitoring the internal control systems, internal audit and risk management,
 - oversight and supervision in respect of monitoring the external auditors' independence.
- 2) approval of reports on annual and semi-annual activity of the Board's advisory bodies and of the Board itself.

- 3) recommending to the General Meeting:
 - the results of assessment of the financial reports of the Company and Agora Group for 2016,
 - the results of the assessment of the Directors' Report on operations of the Company and of Agora Group for 2016,
 - the outcome of assessment of the Company's position in 2016,
 - the motion for discharging the Members of the Management Board from their duties in 2016
 - the opinion on the assessment of the Management Board's motion concerning coverage of loss incurred by the Company in 2016 and the Company's dividend policy.
- 4) analysing and determining the remuneration and incentive bonuses for members of the Company's Management Board and inclusion of new Members of the Management Board into the incentive scheme for the Company's Management Board Members.

The activity of the Supervisory Board outside the formal meeting focused on supporting Members of the Company's Management Board by participation in working meetings and numerous consultations. Moreover, the members of the Supervisory Board participated in the work of two advisory bodies operating at the Supervisory Board, i.e. the Audit Committee and the Human Resources and Remuneration Commission.

The tasks of the Audit Committee in 2017 included, without limitation:

- 1) oversight and supervision in respect of monitoring the financial reporting of the Company and the Agora Group as well as financial audit activities, which consisted of the following activities in particular:
 - monitoring the process of financial report preparation (quarterly, semi-annual and annual reports),
 - presentation of recommendations to the Supervisory Board in respect of approval of the annual report audited by an external auditor,
 - monitoring the accuracy of the financial information presented by the Company;
- 2) oversight and supervision in respect of monitoring the internal control systems, internal audit and risk management, which consisted of the following activities in particular:
 - review of the internal control and risk management procedures to ensure compliance with the law and internal regulations,
 - assessment of compliance with the risk management policy and presentation of recommendations in this respect;
- 3) the activities of oversight and supervision in respect of monitoring the external auditors'

independence, which consisted of the following activities in particular:

- presentation of recommendations to the Supervisory Board in respect of selection of the entity auditing the financial report and the terms and conditions of its engagement;
- monitoring the independence of the external auditor in respect of the audit it carries out,
- discussing the course of the audit of the financial report with the external auditor.

The 2017 Report on Operations and the Statement of the Audit Committee are appended hereto as Appendix 1.

Tasks of the Human Resources and Remuneration Commission in 2017 included in particular:

- 4) periodic assessment of the remuneration policy applicable to Management Board Members and providing the Supervisory Board with the relevant recommendations in this respect,
- 5) recommendations regarding the amount of remuneration and granting additional benefits to individual Members of the Management Board to be considered by the Supervisory Board.

The Report on Operations in 2017 and the statement of Human Resources and Remuneration Commission are appended hereto as Appendix 2.

III. In the financial year 2017, six meetings of the Supervisory Board were held:

- 1) **On 16 February 2017**, the Supervisory Board:
 - familiarised with the report of the meetings of the Audit Committee and accepted the presented recommendations, in particular familiarised with the presentation of the financial results of the Company and Agora Group in the fourth quarter of 2016 and the summary concerning the Company's budget for 2017,
- 2) **On 30 March 2017**, the Supervisory Board:
 - familiarised with the report of the meeting of the Audit Committee and accepted the presented recommendations, in particular familiarised with the presentation of the financial results of the Company and Agora Group in 2016,
 - familiarised with the report on the meeting of the Human Resources and Remuneration Commission and accepted the presented recommendations,
 - adopted a resolution on approval of the annual report on operations of the Supervisory Board and its advisory bodies in 2016,
 - familiarised with the "Assessment of Efficiency of the Systems and Functions relating to Internal Control, Risk Management and Internal Audit", presented by the Management Board,
 - adopted a resolution on the assessment of the Company's position in 2017,

Draft Resolution for meeting of the Supervisory Board of 7 March 2018

- adopted a resolution on selection of the statutory auditor for the Company.

3) **On 11 May 2017**, the Supervisory Board:

- familiarised with the report of the meeting of the Audit Committee and accepted the presented recommendations, in particular familiarised with the presentation of the financial results of the Company and Agora Group in the first quarter of 2017,
- adopted a resolution taking into account the Audit Committee's recommendation concerning:
 - assessment of the Company's financial statements (report) for the financial year 2016, the consolidated financial statements of Agora S.A. Group for 2016, the Directors' Report on operations of the Company in 2016, the Directors' Report on operations of Agora S.A. Capital Group in 2016 and the motion filed by the Management Board concerning the coverage of the loss for 2016,
 - submission of the results of said assessment to the Company's General Meeting,
 - the request for discharging the members of the Management Board from their duties in 2016,
- discussed the Management Board' motion regarding the dividend policy,
- adopted a resolution on accounting for the incentive scheme for members of the Management Board in 2016,
- adopted resolutions on the rules of awarding bonuses to Members of the Company's Management Board in 2017,
- adopted a resolution on amendment of the employment contracts with Members of the Management Board,
- adopted a resolution on personal matters related to a Member of the Management Board,
- assessed the draft resolutions for the Company's General Meeting.

4) **On 10 August 2017**, the Supervisory Board:

- familiarised with the report of the meeting of the Audit Committee and accepted the presented recommendations, in particular familiarised with the presentation of the financial results of the Company and Agora Group in the second quarter of 2017,
- adopted a resolution on approval of the semi-annual report on operations of the Audit Committee in 2017 and statements of the Audit Committee,
- adopted a resolution concerning conclusion of Annex 1 to the Guarantee and Option Agreement of 30 March 2010,

5) **On 9 November 2017**, the Supervisory Board:

- adopted a resolution appointing a Member of the Company's Supervisory Board by way of cooptation,

Draft Resolution for meeting of the Supervisory Board of 7 March 2018

- adopted a resolution on appointment of a member of the Audit Committee,
- accepted the resignation of the person performing the responsibilities of Chairman of the Audit Committee and adopted a resolution appointing a new Chairperson of the Audit Committee,
- familiarised with the report on the meeting of the Human Resources and Remuneration Commission and accepted the presented recommendations, in particular regarding the employment contracts with new members of the Management Board,
- adopted a resolution on conclusion of an employment contract with a Member of the Management Board,
- adopted a resolution amending Resolution No 5 of the Supervisory Board of 7 April 2016,
- adopted a resolution on allocation of company cars to be used by Members of the Company's Management Board,
- familiarised with the report of the meeting of the Audit Committee and accepted the presented recommendations, in particular familiarised with the presentation of the financial results of the Company and Agora Group in third quarter 2017.
- accepted the proposed dates of publication of the periodic reports and meetings of the Supervisory Board and its advisory bodies in 2018,

6) **On 21 December 2017**, the Supervisory Board:

- adopted a resolution approving the establishment of the Tax Capital Group.

In 2017, the Supervisory Board adopted the following resolutions in writing, according to §23(1) of the Company's Articles:

- 1) Resolution No 1/2017 concerning the consent to conclude a Group Liquidity Management Agreement by the Company,
- 2) Resolution No 2/2017 approving the Policy for selection of an audit firm to audit financial statements of Agora S.A. and Agora S.A. Capital Group,
- 3) Resolution No 3/2017 approving the Procedure of selection of an audit firm for Agora S.A. and Agora S.A. Capital Group.

IV. Self-Evaluation of the Supervisory Board

Pursuant to the principle of II.Z.10.2. of the Best Practice of GPW Listed Companies in 2017, the Supervisory Board prepared an evaluation of its work in 2017.

The Supervisory Board continuously supervises the operations of the Company in all aspects of its activities. In line with the provisions of the Company's Articles, the Supervisory Board holds regular meetings at least once a quarter or on an ad hoc basis, handling issues assigned to it by provisions of the Articles and the Companies Code on as-needed basis. Additionally, the work of the Supervisory Board is supported by two teams appointed from among its members: the Audit Committee and the

Human Resources and Remuneration Commission, whose scope of works is described in section II of this report.

All members of the Supervisory Board are adequately qualified and experienced having worked for large companies and law firms, which enables them to effectively exercise their duties of the Supervisory Board members.

The Supervisory Board is of the opinion that this body acted effectively, ensuring adequate supervision of the Company in 2017, in cooperation with the Company's Management Board both during official meetings and additional informal consultations.

V. Assessment of independence of members of the Supervisory Board

The Supervisory Board has 6 members pursuant to §18 of the Articles. The Supervisory Board has carefully analysed the statements submitted by its members regarding compliance with the independence criteria.

The majority of members of the Supervisory Board meet the independence criteria, and thus the current composition of the Supervisory Board complies with the requirement of section II.Z.3 of the Best Practice of GPW Listed Companies in 2016.

The current composition of the Supervisory Board ensures a variety of professional experience of its members, which enables it to adequately assess the Management Board's activities and the operations of the Company based on substantive knowledge in areas of the Company's ventures.

Andrzej Szlęzak

Chairman of the Supervisory Board