

LARQ Spółka Akcyjna of Warsaw
Supervisory Board's Resolution No. 5/04/16
of 26 April 2016

Regarding: Preparation and submission to the Annual General Meeting of the Company of the activity report of the Supervisory Board of the Company for the 2015 financial year

§ 1

Acting pursuant to § 9 of the Rules of Procedure of the Supervisory Board of LARQ S.A. of Warsaw (the "**Company**") and in accordance with Rule II.Z.10.2 of the Best Practices of WSE-Listed Companies 2016 (as set out in Annex to the Resolution no. 26/1413/2015 of the Exchange Council dated 13 October 2015), the Supervisory Board of the Company has resolved as follows:

1. To accept the activity report of the Supervisory Board of the Company for the 2015 financial year as set out in **Appendix 1** to this Resolution and being an integral part hereof; and
2. The Supervisory Board of the Company has decided to submit the report referred to in 1 above to the Annual General Meeting of the Company.

§ 2

The Resolution enters into force on the day of its adoption.

The Resolution was passed in open voting by [5] votes in favour, [] votes against and [] abstentions.

[signed]

Joanna Braulińska-Wójcik, Chairperson of Supervisory Board

[signed]

Piotr Krawczyński

Deputy Chairperson of Supervisory Board

[signed]

Adam Kalkusiński

[unsigned]

Bartosz Foroniewicz

Secretary of Supervisory Board

[signed]

Sergiusz Frąckowiak

Mr. Bartosz Foroniewicz has voted with the use of means of direct remote communication, i.e., by phone. [signed]

Activity Report of the Supervisory Board of the Company for the 2015 Financial Year

Date: 26 April 2016

I. Members of the Supervisory Board of the Company and Its Committees During 2015

1) Members of the Supervisory Board of the Company

Following the resignation of Mr. Andrzej Szymański from the Supervisory Board of LARQ S.A. of Warsaw (the "**Company**") on 17 December 2014, the Supervisory Board consisted of the following as of 1 January 2015:

- 1) Ms Joanna Braulińska-Wójcik – Chairperson of Supervisory Board
- 2) Mr. Piotr Krawczyński – Deputy Chairperson of Supervisory Board
- 3) Dr Bartosz Foroniewicz – Secretary of Supervisory Board
- 4) Mr. Jerzy Drozdowski – Member of Supervisory Board.

In view of the foregoing, it became necessary to fill the vacancy on the Supervisory Board; the appointment was made on 11 March 2015. At this point, it should be mentioned that no resolutions were adopted by the Supervisory Board in the period from 17 December 2014 to 11 March 2015.

On 11 March 2015, the Extraordinary General Meeting of the Company fixed at five the number of members of the Company's Supervisory Board and appointed the persons listed below to the Supervisory Board for the same third term of office of four years:

- 1) Ms Joanna Braulińska-Wójcik – Chairperson of Supervisory Board
- 2) Mr. Piotr Krawczyński – Deputy Chairperson of Supervisory Board
- 3) Dr Bartosz Foroniewicz – Secretary of Supervisory Board
- 4) Mr. Jerzy Drozdowski – Member of Supervisory Board
- 5) Mr. Sergiusz Frąckowiak – Member of Supervisory Board.

On 31 August 2015, Mr. Jerzy Drozdowski was removed from the Supervisory Board of the Company. At the same time, Mr. Adam Kalkusiński was appointed to the Supervisory Board of the Company on the same day.

Since the foregoing, there was no change in members of the Supervisory Board of the Company.

Accordingly, the Supervisory Board consisted of the following members as at 31 December 2015:

- 1) Ms Joanna Braulińska-Wójcik – Chairperson of Supervisory Board
- 2) Mr. Piotr Krawczyński – Deputy Chairperson of Supervisory Board
- 3) Dr Bartosz Foroniewicz – Secretary of Supervisory Board
- 4) Mr. Sergiusz Frąckowiak – Member of Supervisory Board
- 5) Mr. Adam Kalkusiński – Member of Supervisory Board.

II. Committees of the Company's Supervisory Board

Pursuant to § 14 (2) of the Rules of Procedure of the Company's Supervisory Board, the Supervisory Board was authorised to appoint an audit committee in 2015; that committee should have had at least one member who meets the condition of independence in the meaning of Article 86 (5) of the Act on Expert Auditors, and should have accounting or financial auditing skills. However, in accordance with the second sentence of § 14 (4) of the Rules of Procedure of the Company's Supervisory Board and considering that the Supervisory Board of the Company had five members, in 2015, the tasks of audit committee were discharged by the Supervisory Board of the Company.

During 2015, the Supervisory Board of the Company did not exercise the power set out in §14 (2) of the Rules of Procedure of the Company's Management Board, namely to appoint other committees.

II. Independence of Members of the Company's Supervisory Board

Pursuant to Rule II.Z.3 read together with Rule II.Z.4 of the Best Practices of WSE-Listed Companies 2016 as passed by the Resolution no. 26/1413/2015 of the Exchange Council dated 13 October 2015 on adoption of the Best Practices of WSE-Listed Companies 2016 ("**2016 Best Practices**"), the Supervisory Board of the Company has vetted all members of the Supervisory Board in terms of meeting the independence criteria set out in Annex II to the Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive directors or supervisory directors of listed companies and on the committees of the (supervisory) board.

Pursuant to Rule II.Z.5 of the 2016 Best Practices, the Chairperson of the Supervisory Board has asked all members to make their statements of compliance with the a/m independence criteria. In response, all members of the Supervisory Board of the Company submitted their statements.

The Supervisory Board of the Company, acting in accordance with Rule II.Z.6 of the 2016 Best Practices, has accepted those submissions and assessed whether or not any relationships or circumstances existed that might affect the fulfilment of the independence criteria by the a/m members of the Supervisory Board. Based on information at its disposal, the Supervisory Board of the Company did not identify any such relationships or circumstances as regards Ms Joanna Braulińska-Wójcik – Chairperson of the Company's Supervisory Board or with respect to Mr. Bartosz Foroniewicz. However, regarding other members of Supervisory Board of the Company, i.e., Mr. Piotr Krawczyński – Deputy Chairperson of the Company's Supervisory Board, Mr. Sergiusz Frąckowiak and Mr. Adam Kalkusiński, the Supervisory Board of the Company has established that they failed to meet the a/m independence criteria.

III. Activities of the Supervisory Board during 2015

During the 2015 financial year, the Supervisory Board of the Company met 5 (five) times and adopted resolutions with the use of the means of direct remote communication.

The meetings of the Board were held on the premises of the Company in Warsaw, ul. Tamka 16 lok. U4, on the following dates: 31 March, 26 May, 17 September, 29 September and 1 December 2015.

During the 2015 financial year, the Supervisory Board of the Company passed 22 (twenty two) resolutions in total. The Supervisory Board of the Company has passed customary resolutions regarding the Annual General Meeting of the Company, on selection of auditor to audit the Company's accounts regarding corporate matters and with respect to operation of the Company's corporate bodies.

In addition to the above matters, the Supervisory Board of the Company has also authorised the conclusion of loan agreements/annexes to loan agreements made between the Company's Related

Parties in the meaning of the Company's Articles (as borrowers) and the Company (as the lender), as well as between the Company's Related Parties (as borrowers) and the Company's subsidiary (as the lender); as regards the latter, the consent was given in order to empower the Management Board of the Company to do all acts that the owner with respect to that subsidiary in order to obtain all corporate authorisations to permit conclusion of the a/m agreements.

Furthermore, the Supervisory Board of the Company has issued its opinions on matters addressed by the General Meeting of the Company in its resolutions and relating to the issuance of warrants convertible into shares in implementation of the Incentive Scheme adopted by the Company, and also adopted the detailed Regulations of the Incentive Scheme as implemented by Resolution 15/15 of the Extraordinary General Meeting of the Company dated 31 August 2015, and has drawn up the list of participants of the Incentive Scheme.

In addition, during the meetings of the Supervisory Board of the Company, the Management Board briefed the former regarding the current financial performance and provided it with other information about all pending or scheduled key projects and crucial events in the Company and its Group or that significantly influenced their operations.

The meetings of the Supervisory Board included a fixed item, namely information provided cyclically by the Management Board about the financial and sales results of the Company and the Group, regarding the activities of the Company and the Group, on a quarterly basis, and the progress made under the existing contracts and new ventures.

The Supervisory Board declares that it has exercised the constant daily supervision over the activities of the Company, both as a collective body and via its Chairperson and Deputy Chairperson. Such supervisory activities have been carried out in compliance with the legal requirements for joint stock companies. That purpose was also furthered by meetings with the members of the Management Board who, based on the books and records, provided ample explanations and other documents relating to the management of the Company.

IV. Self-Assessment of the Supervisory Board of the Company

During the reporting period, the Supervisory Board of the Company has proceeded as a collective body and relied on the expertise and experience of its members. During the 2015 financial year, the Supervisory Board of the Company did not utilise the option of delegating its member to exercise any specified supervisory activities. Its meetings were held on the premises of the Company or with the use of the means of direct remote communication.

All Members the Supervisory Board are highly skilled and have sufficient professional qualifications as necessary to serve as Members of the Supervisory Board. The persons serving on the Supervisory Board of the Company are highly qualified in the area of economy, finance and law, and further they have experience in serving as members of managing or supervisory bodies. Accordingly, the composition of the Supervisory Board provides for the effective supervision over the key areas of the Company's business.

Ms Joanna Braulińska-Wójcik, Chairperson of the Supervisory Board of the Company, was responsible for the direct liaisoning with the Management Board of the Company during the 2015 financial year. The Chairperson of the Supervisory Board of the Company also took part in meetings of the General Meeting of the Company in order to facilitate meaningful answers to questions asked during meetings of the General Meeting.

The Supervisory Board of the Company is satisfied with the way it liaisons with the Management Board of the Company and has not objections as to the provision of information requested by it.

[signed]

Joanna Braulińska-Wójcik, Chairperson of Supervisory Board

[signed]

Piotr Krawczyński

Deputy Chairperson of Supervisory Board

[signed]

Adam Kalkusiński

[unsigned]

BartoszForonczewicz

Secretary of Supervisory Board

[signed]

SergiuszFrąckowiak