



Report on activity of the Supervisory Board of Apator SA for 2012

Ostaszewo, 24.06.2013



- ◀ Presentation contains selected issues from the report of the Supervisory Board of Apator SA for 2012
- ◀ Complete content of the report is available since 28th May 2013 on the website of Apator SA: www.apator.com



Composition of the Supervisory Board and the Audit Committee in 2012



Third year of activity of the Supervisory Board of the VII tenure

Composition of the Supervisory Board

- » Janusz Marzygliński – Chairman of the Supervisory Board
- » Mariusz Lewicki – Deputy Chairman of the Supervisory Board
- » Danuta Guzowska – Member of the Supervisory Board
- » Krzysztof Kwiatkowski – **Independent** Member of the Supervisory Board
- » Ryszard Wojnowski – Member of the Supervisory Board
- » Eryk Karski – **Independent** Member of the Supervisory Board

Composition of Audit Committee

- » Mariusz Lewicki – Chairman of the Committee
- » Ryszard Wojnowski – Member of the Committee
- » Krzysztof Kwiatkowski – **Independent** Member of the Committee



Meetings of the Supervisory Board in 2012 ◀

◀ The Supervisory Board had 11 meetings on the following dates:

- » 23rd January
- » 30th March
- » 10th May
- » 18th June before General Shareholders Meeting to be held
- » 18th June after General Shareholders Meeting held
- » 10th August
- » 5th September
- » 5th October
- » 23rd October
- » 18th December
- » 19th December

During the meetings 27 resolutions were adopted

Audit Committees had 7 meetings on the following dates:

- » 23rd January
- » 30th March
- » 27th April
- » 10th May
- » 10th August
- » 30th August
- » 18th December

During the meetings 3 resolutions were adopted



Meetings of the Supervisory Board in 2012



- ◀ Members of the Supervisory Board fulfilled their duties personally.
Attendance the meetings of the Supervisory Board:
 - » 6 meetings – attendance 100-per cent
 - » 3 meetings – attendance 83-per cent
 - » 2 meetings – attendance 67-per cent*All the absences were excused.*

- ◀ Remuneration of Members of the Supervisory Board – in total 402 00 PLN, including monthly:
 - » Chairman of the Supervisory Board – 6 000 PLN
 - » Member of the Supervisory Board – 5 500 PLN



Composition of the Executive Board of Apator SA ◀

- ◀ The Executive Board in 2010 nominated the Executive Board with the following composition:
 - » Janusz Niedźwiecki – President of the Executive Board
 - » Tomasz Habryka – Member of the Executive Board
 - » Jerzy Kuś – Member of the Executive Board

- ◀ Remuneration of the Executive Board in 2012 was in total 2 044 000 PLN, including bonuses and awards – 902 000 PLN (44%)
- ◀ Remunerations were in reasonable relation to the level of remunerations of the executive boards in other public companies and the market value of the company.

24th June 2013 expires the tenure of the Executive Board

The Supervisory Board expresses its thanks for financial results achieved and fruitful cooperation



Best practices of WSE listed Companies ◀

- ◀ In 2012 Apator SA declared to respect the rules included in the document „Best practices of WSE listed Companies“, excluding:
 - » rule I.1 regarding the broadcasting of the course of the General Shareholders Meetings via Internet,
 - » rule IV.10 regarding the attendance of the shareholders the General Shareholders Meeting by use of electronic communication means.

- ◀ Adoption of the best practices of WSE listed Companies by the Supervisory Board in 2012:
 - » The Supervisory Board acts pursuant to the rules of corporate governance,
 - » The Members of the Supervisory Board performed their duties personally,
 - » The members of the Supervisory Board advised pursuant about purchase or sales transactions of shares of Apator SA in accordance with law regulations,
 - » There was no case of the occurrence of the conflict of interest between the Member of the Supervisory Board and the Company,
 - » Some members of the Supervisory Board attended the Meetings of the Executive Board.



The assessment of financial statements for 2012 ◀

- ◀ The Supervisory Board made the assessment of separate and consolidated financial statements for 2012. It familiarized with **positive recommendation of Audit Committee and opinions of statutory auditor and it had no objections.**
- ◀ The Supervisory Board confirms that financial data presented in annual financial statements for 2012 are:
 - » **reliable,**
 - » **correct,**
 - » **real,**
 - » **prepared in conformity with binding accounting principles being used continuously based on correctly kept accounting books.**





Supervision over Apator SA and the group of Apator ◀

The Supervisory Board supervises over the Company and the group of Apator by:

- ◀ permanent supervision over performance of the plans of activity,
- ◀ analysis of monthly economic and financial statements of Apator S.A. and entities of the group of Apator, particularly:
 - » performance of domestic sale and export
 - » costs incurred,
 - » value of margin,
 - » stock management,
 - » management of financial means,
- ◀ analysis of monthly consolidated financial results,
- ◀ analysis of regular financial statements : quarterly, interim and annual ones
- ◀ analysis of identified risks,
- ◀ review of the resolutions of Executive Board,
- ◀ cooperation with statutory auditor.



Supervision over the Company and the group



The areas of activity of the Company and entities of the group of Apator supervised by the Supervisory Board and Audit Committee in 2012:

- ◀ transfer of activity of the company to the area of Pomeranian Special Economic Zone in Ostaszewo,
- ◀ financial liquidity of Apator SA,
- ◀ policy of hedging of currency exposure,
- ◀ shaping of values of hedging transactions concluded,
- ◀ accounting policy,
- ◀ performance of dividend policy including payment of interim dividend from the profit for 2012,
- ◀ results of proper inventory,
- ◀ management system, including risk management and internal control,
- ◀ property insurance contracts and civil liability contracts,
- ◀ Results of control carried out by Income Tax Control Office,
- ◀ appeal to Tax Chamber,
- ◀ remuneration of the Executive Board of Apator S.A. and the Executive Boards of entities of the group of Apator,
- ◀ takeover of GWi Ltd. by Apator Metrix SA,
- ◀ restructuring of Apator Elektro with headquarters in Moscow,
- ◀ appointment of candidate for the President of the Executive Board of Apator S.A. for the tenure 2013 – 2015.



Assessment of the activity of the group of Apator ◀

◀ The best in history financial results:

- » Revenues on sale: 669 m PLN
- » Export: 241 m PLN (share of export in revenues: 36%)
- » Profit on sale: 78 m PLN
- » Net profit: 96 m PLN

◀ The group of Apator has been extended by **GW Ltd. with headquarters in Coventry** (Great Britain)



- ◀ Apator SA has completed the construction of the modern Company in Pomeranian Special Economic Zone.





Thank you for the attention