

**Resolution no. 4/2013
of Supervisory Board of Apator SA dated 14th May 2013
on: auditing of the report of the Executive Board on activity of Apator SA in the period since
1st January 2012 till 31st December 2012 and the report of the Executive Board on activity of
group of Apator in the period since 1st January 2012 till 31st December 2012**

1. Acting in accordance with art. 382 § 3 of Commercial Companies Code, § 15 of the Statutes of Apator S.A., the Supervisory Board of Apator SA finds that it audited submitted by the Executive Board the report on activity of the Company for the period since the 1st January 2012 till the 31st December 2012 and the report on activity of group of Apator. The Supervisory Board gives positive opinion of presented by the Executive Board reports and it applies to the General Shareholders Meeting to accept and approve them.
2. Report of the Supervisory Board in writing on results of assessment of the reports of the Executive Board mentioned in point 1 is the appendix to hereby resolution.
3. The resolution comes into life on the day of adoption.

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

Appendix to the Resolution No. 4/2013
of the Supervisory Board of Apator SA
dated 14th May 2013

**Report of the Supervisory Board of Apator SA
on audit of the report of the Executive Board on activity
on auditing of the report of the Executive Board on activity of Apator SA in the period since
1st January 2012 till 31st December 2012
and the report of the Executive Board on activity of group of Apator in the period since
1st January 2012 till 31st December 2012**

The basis for acting regarding auditing of the reports of the Executive Board is regulations of art. 382 § 3 of the Polish Commercial Companies Code and § 15 of the Statute of the Company. The Supervisory Board carried out the audit of the reports of the Executive Board on activity of the Company and Capital Group. The Supervisory Board taking into consideration positive opinion of the Audit Committee on the reports of the Executive Board on activities of the Company and Capital Group, states as follows:

- submitted reports are clear, transparent and legible,
- information included in the reports of the Executive Board is in accordance with information included in audited financial statements,
- the reports include the description of all essential areas of activity of Apator SA according to the events that occurred in 2011 and the description of all subsidiaries and associated entities, the description of events presents in an exhaustive manner their influence on economic results obtained by Apator SA and the companies in capital group,
- the reports convey the real status that occurred in the Apator SA and group of Apator in the reporting period that is in 2012,
- the reports have been prepared in accordance with legal regulations concerning commercial companies.

Chairman of the Supervisory Board

Janusz Marzygliński

Resolution no. 5/2013
of the Supervisory Board of Apator SA dated 14th May 2013
on auditing of financial statement of Apator SA for the financial year 2011

1. Acting under art. 382 § 3 of the Polish Commercial Companies Code and § 15 of the Statute of Apator SA, the Supervisory Board of Apator SA confirms that it audited the financial statement prepared by the Executive Board of SA, subject to auditing by KPMG Audyt Limited Company-Limited Liability Partnership covering:
 - statement on financial position at the 31st December 2012 where assets and liabilities give the amount of 273.799.000, PLN
 - statement on total income made for the period since the 1st January 2012 till the 31st December 2012 gives the total income in amount of 72.163.000 PLN with net profit included in amount of 70.344.000 PLN,
 - statement on cash flow account for the period since the 1st January 2012 till the 31st December 2012 presenting the increase of the net cash by 4.486 PLN
 - statement on changes in equity presenting its increase in the period since the 1st January 2012 till the 31st December 2012 by the amount of 33.890.000 PLN
 - additional information to the report on accounting principles taken and additional pieces of information and clarifications.
2. Based on the report and opinion of chartered accountant and opinion of Audit Committee, the Supervisory Board confirms that the report was prepared in accordance with obligatory legal regulations, based on correctly kept accounting books and it clearly and reliably reflects the financial and property situation of the Company.
3. The Supervisory Board appeals to General Shareholders Meeting to consider and approve financial statement of Apator SA for financial year 2012.
4. The report in writing of the Supervisory Board on results of assessment of financial report is the appendix to the resolution.
5. The resolution comes into life on the day of adoption.

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

Report of the Supervisory Board of Apator SA on the results of assessment of the financial statement of Apator SA for the financial year 2011

The basis of acting of the Supervisory Board regarding the auditing of financial statement of Apator S.A. for 2011 was the regulations of art. 382 § 3 of the Polish Commercial Companies Code and § 15 of the Statute of Apator SA. The Supervisory Board according to the recommendation of Audit Committee commissioned to audit the financial statement to the firm; Audit Committee with headquarters in Warsaw, registered in the list of entitled entities to audit the financial statements under no.3546. Audit has been carried out chartered accountants:

- Rafał Wiza, registered in the list of chartered accountants under number **11995**,
- Marek Gajdzinski, registered in the list of chartered accountants under number **90061**.

The audit covered:

- statement on financial position at the 31st December 2012 where assets and liabilities give the amount of 273.799.000, PLN
- statement on total income made for the period since the 1st January 2012 till the 31st December 2012 gives the total income in amount of 72.163.000 PLN with net profit included in amount of 70.344.000 PLN,
- statement on cash flow account for the period since the 1st January 2012 till the 31st December 2012 presenting the increase of the net cash by 4.486.000 PLN
- statement on changes in equity presenting its increase in the period since the 1st January 2012 till the 31st December 2012 by the amount of 33.890.000 PLN
- additional information to the report on accounting principles taken and additional pieces of information and clarifications.

Scope of audit:

- auditing the reliability and correctness of financial statement preparation according to legal regulations and the Statute of Apator SA,
- auditing the correctness and reliability of books with the source documents and data included in the statement.

After having made the analysis of results of the audit carried out by chartered accountant including conclusions presented in the opinion and the report and after having known the positive recommendation of Audit Committee, the Supervisory Board finds that financial statement has been prepared in all significant aspects according to obligatory accounting principles, in continuous manner, based on correctly kept accounting books. It complies in form and content with obligatory legal regulations and the Statute of the Company and it presents reliable and clear all the information significant for evaluation of results of economic activity and profitability in the reporting period and financial and property positions of Apator SA at 31st December 2011. It has been also prepared in

accordance with the requirements of the Resolution of Ministry of Finance dated 19th February 2009 on current and regular information being transferred by issuers of securities and the conditions to be considered as equivalent the information required by law of the country not being the member of EU.

Chairman of the Supervisory Board

Janusz Marzygliński

Resolution no. 6/2013
of the Supervisory Board of Apator SA dated 14th May 2013
on auditing of consolidated financial statement of Apator SA for the financial year 2012

1. Acting under art. 382 § 3 of the Polish Commercial Companies Code and § 15 of the Statute of Apator SA, the Supervisory Board of Apator SA confirms that it audited the consolidated financial statement prepared by Group of Apator, subject to auditing by Audit Committee covering:
 - consolidated statement of financial position at the 31st December 2012 where assets and liabilities give the amount of 504.448.000, PLN
 - consolidated statement on total income made for the period since the 1st January 2012 till the 31st December 2012 gives the total income in amount of 101.658.000 PLN with net profit included in amount of 95.720.000 PLN,
 - consolidated statement of cash flow account for the period since the 1st January 2012 till the 31st December 2012 presenting the increase of the net cash by 19.629.000 PLN
 - consolidated statement of changes in consolidated equity presenting its increase in the period since the 1st January 2012 till the 31st December 2012 by the amount of 63.526.000 PLN
 - additional information to consolidated statement including in particular described accounting principles taken in group of Apator and clarification notes.
2. Based on the report and opinion of chartered accountant and opinion of Audit Committee, the Supervisory Board confirms that the report was prepared in accordance with obligatory legal regulations, based on correctly kept accounting books and it clearly and reliably reflects the financial and property situation of the Company.
3. The Supervisory Board appeals to General Shareholders Meeting to consider and approve consolidated financial statement of Apator SA for financial year 2012.
4. The report in writing of the Supervisory Board on results of assessment of financial report is the appendix to the resolution.
5. The resolution comes into life on the day of adoption.

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

Report of the Supervisory Board of Apator SA dated 10th May 2012 on results of assessment of financial statement of group of Apator for the financial year 2012

The basis of acting of the Supervisory Board regarding the auditing of consolidated financial statement of group of Apator for 2012 was the regulations of art. 382 § 3 of the Polish Commercial Companies Code and § 15 of the Statute of Apator SA. The Supervisory Board commissioned to audit the financial statement to the firm; KPMG Audyt Limited Company-Limited Liability Partnership with headquarters in Warsaw, registered in the list of entitled entities to audit the financial statements under no. 3546. Audit has been carried out by chartered accountant:

- **Rafał Wiza**, registered in the list of chartered accountants under number **11995**,
- **Marek Gajdzinski**, registered in the list of chartered accountants under number **90061**.

The audit covered:

- consolidated statement of financial position at the 31st December 2012 where assets and liabilities give the amount of 504.448.000, PLN
- consolidated statement on total income made for the period since the 1st January 2012 till the 31st December 2012 gives the total income in amount of 101.658.000 PLN with net profit included in amount of 95.720.000 PLN,
- consolidated statement of cash flow account for the period since the 1st January 2012 till the 31st December 2012 presenting the increase of the net cash by 19.629.000 PLN
- consolidated statement of changes in consolidated equity presenting its increase in the period since the 1st January 2012 till the 31st December 2012 by the amount of 63.526.000 PLN
- additional information to consolidated statement including in particular described accounting principles taken in group and clarification notes.

Moreover, consolidation documentation was checked and correctness of consolidating methods applied were verified.

The Supervisory Board after having made the analysis of results of the audit carried out by chartered accountant including conclusions presented in the opinion and the report and after having known the positive recommendation of Audit Committee finds that consolidated financial statement of group of Apator for 2011 has been prepared in all significant aspects according to obligatory accounting principles based on correctly kept accounting books. It complies in form and content with obligatory legal regulations and the Statute of the Company and it presents reliable and clear all the information significant for evaluation of results of economic activity and profitability in the reporting period and financial and property positions of Apator SA at 31st December 2011. Consolidated financial statement has been also prepared in accordance with the requirements of the Resolution of Ministry of Finance dated 19th February 2009 on current and regular information being transferred by issuers of

securities and the conditions to be considered as equivalent the information required by law of the country not being the member of EU. Chartered accountant in its opinion had no reservations about consolidated financial statement for 2012.

Chairman of the Supervisory Board

Janusz Marzygliński

**Resolution no. 7/2013
of the Supervisory Board of Apator SA dated 14th May 2013
on vote of approval of members of the Executive Board of Apator SA**

1. The Supervisory Board acting based on § 15 of the Statute of Apator SA, appeals to General Shareholders Meeting to grant a vote of approval to all the members of the Executive Board of Apator SA of the fulfillment of their duties in 2012.
2. The resolution comes into life on the day of adoption.

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

**Resolution no. 8/2013
of the Supervisory Board of Apator SA dated 14th May 2013
on profit distribution for financial year 2012**

1. Acting based on art. 382 § 3 of the Polish Commercial Companies Code and § 15 of the Statute of Apator SA, the Supervisory Board of Apator SA gives positive opinion to the proposal of the Executive Board on net profit distribution for the financial year 2012 in value of 70.343 816,18 PLN in the following manner:
 - dividend 46 349 839,20 PLN,
 - supplementary capital 23 993 976,98 PLN.
2. Supervisory Board gives positive opinion of the proposal of the Executive Board concerning the payment of dividend in total value of 33.107.028,00 PLN that is in value of 1,00 PLN per share on 26th July 2013 as the proposal to establish the right to the payment of other part of dividend to the shareholders holding the shares of Apator SA on 12nd July 2013.
3. The Supervisory Board of Apator SA appeals to General Shareholders Meeting to approve presented proposal of profit distribution.
4. The resolution comes into life on the day of adoption.

For the resolution voted 4 people, abstained 0 people, votes against 2

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

Resolution no. 9/2013
of the Supervisory Board of Apator SA dated 14th May 2013
on amendment to § 7, § 15 and § 16 point 1 of the Statutes of Apator SA and acceptance of
unified text of the Statutes of Apator SA

1. Acting based on § 15 point 10 of the Statute of Apator SA, the Supervisory Board of Apator S.A. gives positive opinion of suggested wording of § 7 of the Statute of the Company taking into consideration the conversion of 21.146 registered shares of A series to bearer shares of A series. The suggested wording is the following:
„Share capital of the Company is 3.310.702,80 PLN (three million three hundred and ten thousand and seven hundred and two zloty and 80/100) and it is divided into 7.754.130 (seven million and seven hundred fifty four thousand and one hundred thirty) registered shares of A series and 25.352.898 (twenty five million and three hundred fifty two thousand and eight hundred ninety eight) bearer shares of A, B and c series of nominal value of 0,10 PLN (ten gros) each”.
2. Acting based on § 15 point 10 of the Statute of Apator SA, the Supervisory Board of Apator S.A. gives positive opinion of suggested wording of § 15 of the Statute of the Company. The suggested wording is the following:

„Supervisory Board

1. Supervisory Board consists of 5 (five) to 7 (seven) members appointed by General Shareholders Meeting for the period of 5 (five) years. Members of Supervisory Board are appointed for the common tenure. Reduction of number of the members of Supervisory Board during tenure to not less than 5 (five) members does not cause the necessity to complete the makeup of Supervisory Board.
2. The members of Supervisory Board should have appropriate professional knowledge and experience.
3. The members of Supervisory Board are obliged not to compete and they are not allowed to be members of Executive Board , Proxy, Liquidator, Department or Plant Manager, Chief Accountant employed in the Company, Law Adviser or Barrister or persons directly reported to the Member of Executive Board. Moreover, the members of Supervisory Board are not allowed to be members of Executive Board and Liquidator of the Company or dependent cooperative enterprise.
4. The members of Supervisory Board should perform their duties personally. Members of the Supervisory Board should consider first of all the interest of the Company in their activities.
5. The adoption of the resolutions by the Supervisory Board in writing or by direct means of communication on distance is permissible. The resolution is valid when all the members of the Supervisory Board were advised about the content of the resolution of the Supervisory Board. The adoption of the resolution in the mode presented above does not concern the appointment of the Chairman of the Supervisory Board and Deputy Chairman of the Supervisory Board, nomination of members of the Executive Board and dismissal or suspension of member of the Executive Board.
6. The resolutions of Supervisory Board in writing or by use of means of direct communication on distance are made by absolute majority of votes when
 - at five person makeup of the Supervisory Board - at least three members,
 - at over five person makeup of the Supervisory Board - at least 4 four members
7. The Supervisory Board Meeting is held once a quarter or more often when it is required on invitation of the Chairman of the Supervisory Board. The Executive Board or member of the Supervisory Board are allowed to demand to convene of the Supervisory Board Meeting giving suggested agenda of the meeting. In such a case the Chairman of the Supervisory Board convenes the meeting within two weeks of the date of submission of the motion. If the Chairman of the Supervisory Board does not convene the Supervisory Board Meeting in required date then applicant is allowed to convene by itself giving the date, place and suggested agenda of the debates.
8. The Supervisory Board supervises on permanent basis over activity of the Company in all its areas. The Supervisory Board is not allowed to make binding orders to the Executive Board concerning the Company. The Supervisory Board performs its duties jointly, however it is allowed to delegate its members to independent performance of supervisory activities.

9. The Supervisory Board makes the decisions in all matters that under the law and hereby Statutes are not restricted to the exclusive competence of General Shareholders Meeting and they are not in the scope of activity of the Executive Board.

The competence of Supervisory Board covers:

- assessment of the reports of the Executive Board on the activity of the Company and capital group,
 - assessment of separate financial statement and consolidated financial statement for the last financial year in respect of their conformity with books, documentation and facts of the case,
 - nomination of statutory auditor for the auditing of financial statement,
 - submission to General Shareholders Meeting of the report in writing on results of the assessment of the reports of the Executive Board and financial statements,
 - preparation and presentation to General Shareholders Meeting the report on the activity of the Supervisory Board covering the concise assessment of the situation of the Company, including the assessment of internal inspection and risk management system being significant to the Company.
 - assessment of the conclusions of the Executive Board regarding the distribution of the profit or coverage of loss,
 - adoption of the resolutions regarding the establishment of enterprises and branch offices of the Company,
 - adoption of the resolutions regarding establishment or liquidation of entities with complete or partial capital of the Company,
 - adoption of resolutions regarding acquisition of property or share in property,
 - adoption of the resolutions regarding the renting of the property of the value exceeding 20 % (twenty per cent) of share capital,
 - auditing all the documents of the company, demand from the Executive Board and the employees of the company reports and explanations for all the matters,
 - auditing of the property of the company,
 - consideration of any motions and postulates to be the subject of the resolutions and adopted by General Shareholders Meeting,
 - adoption of the resolution regarding the number of the members of the Executive Board of the company,
 - appointment of the President of the Executive Board and next based on its proposal other members of the Executive Board, dismissal of the members of the Executive Board of the company, suspension of the duties due to serious reasons all or particular members of the Executive Board as well as to delegate the members of the Supervisory Board to temporary fulfillment of the duties of the members of the Executive Board, establishment of remuneration for the members of the Executive Board taking into account its motivation nature,
 - the adoption of the resolution concerning the Regulations of the Executive Board
10. The members of the Supervisory Board receive the remuneration in amounts which values are established by General Shareholders Meeting. Apart the remuneration the members of the Supervisory Board are entitled to the reimbursement of the costs incurred during the performance of their duties.
 11. The minutes of the meeting of the debates of the Supervisory Board should be made and signed by the members of the Supervisory Board attending the meeting.
 12. The Supervisory Board on its first meeting appoints from its members the Chairman of the Supervisory Board and the Deputy of the Chairman of the Supervisory Board.
 13. The Supervisory Board acts pursuant to the “Regulations of the Supervisory Board”
-
3. Acting based on § 15 point 10 of the Statute of Apator SA, the Supervisory Board of Apator S.A. gives positive opinion of suggested wording of § 16 point 1 of the Statute of the Company. The suggested wording is the following:

Executive Board:

“The Executive Board consists of one to five members nominated for three years by the Supervisory Board for the common tenure. The Supervisory Board first makes appointment of the President of Executive Board and next based on its proposal other members of the Supervisory Board”.

4. The Supervisory Board of Apator SA appeals to the General Shareholders Meeting to approve presented proposal of amendments of § 7, § 15 and § 16 point 1 the Statute of Apator SA.
5. The Supervisory Board gives positive opinion to accept the proposal of uniform text of the Statutes of Apator SA taking into account the above amendments.
6. The resolution comes into life on the day of adoption.

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

Resolution no. 10/2013

of the Supervisory Board of Apator SA dated 14th May 2013

on amendments to the Regulations of General Shareholders Meetings of Apator SA

1. Acting based on § 15 point 10 of the Statute of Apator SA, the Supervisory Board of Apator S.A. gives positive opinion of suggested wording of the regulations of the General Shareholders Meeting of Apator SA, that is the appendix to hereby resolution.
2. The Supervisory Board of Apator SA files the petitions to General Shareholders Meeting to approve presented proposal of the amendments to the Regulations of General Shareholders Meetings of Apator SA.
3. The resolution comes into life of the date of adoption.

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

THE REGULATIONS OF THE GENERAL SHAREHOLDERS MEETINGS OF APATOR SA

§ 1

1. The General Shareholders Meetings are held in accordance with the regulations of Polish Commercial Companies Code, the Statutes of the Company and hereby regulations.
2. The amendments introduced to the Regulations are binding from the next General Shareholders Meeting.

§ 2

1. The General Shareholders Meetings are held in Toruń or Ostaszewo in Kujawy & Pomorze Province on the date indicated in the announcement.
2. Cancellation or change of the date of the General Shareholders Meeting to be held is not allowed to prevent or limit the shareholders from attending the General Shareholders Meeting.

§ 3

1. The persons being the shareholders of the Company on sixteen days prior the date of General Shareholders Meeting to be held (day of registration of the attendance the General Shareholders Meeting) are allowed to attend the General Shareholders Meeting.
2. Persons entitled based on registered shares and temporary certificates or lienors and usufructuaries have the right to vote and they also have the right to attend General Shareholders Meeting provided they were entered to the share register on the day of registration of General Shareholders Meeting.
3. The Company makes the list of entitled persons based on bearer shares to attend General Shareholders Meeting against the list made by National Depository of Securities on the basis specified by Polish Commercial Companies Code.

§ 4

1. Shareholder is allowed to attend the General Shareholders Meeting and to vote personally or by its plenipotentiary.
2. The power of attorney granted to attend General Shareholders Meeting and to vote is required to be submitted in writing or by electronic mail.
3. The power of attorney granted by shareholder by electronic mail does not require to be provided with safe electronic signature of power of attorney verified by valid qualified certificate.
4. Detailed information about the manner of granting and canceling the power of attorney by electronic mail and forms allowing to vote by plenipotentiary are available to the shareholders on the website of the Company since the date of announcement about convention of General Shareholders Meeting.
5. The shareholder is allowed to appoint the plenipotentiary during General Shareholders Meeting.
6. The plenipotentiary makes use of all the entitlements of the shareholder at General Shareholders Meeting unless there is different specified in the power of attorney.
7. The plenipotentiary is allowed to grant further power of attorney if it is specified in power of attorney.
8. The plenipotentiary is allowed to represent more than one shareholder and vote differently for the shares of each shareholder.
9. The shareholder with shares located on more than one account of securities is allowed to appoint separate plenipotentiaries to vote based on shares on each of the account.
10. The member of the Executive Board and the employee of the Company are allowed to be plenipotentiary at General Shareholders Meeting. If the plenipotentiary is the member of Executive Board, the member of Supervisory Board, liquidator, employee of the Company or the member of the bodies or employee of the company or cooperative dependent to the Company, power of attorney is valid for the representation only at one General Shareholders Meeting. The

plenipotentiary is obligated to disclose the shareholder the circumstances indicating the existence or possibility to occur the conflict of interests. Granting of the further power of attorney is excluded.

11. The plenipotentiary mentioned in point 10, votes in accordance with the instructions given by the shareholder.
12. The shareholder is allowed to vote as the plenipotentiary in case of resolutions regarding its responsibility for the Company in any respect including vote of approval, the release from responsibility for the Company and the conflict between him and the Company. The stipulations of the point 10 and 11 are applied accordingly.

§ 5

The decision of the Chairman of General Shareholders Meeting regarding a shareholder not to allow the attending the General Shareholders Meeting, a shareholder has the right to appeal to the General Shareholders Meeting.

§ 6

1. The members of the Supervisory Board and the Executive Board should attend the General Shareholders Meeting in the strength enabling to give essential answer the questions asked during the General Shareholders Meeting.
2. The Members of the Supervisory Board and the Executive Board of the Company should provide the participants of the General Shareholders Meeting with information and explanations regarding the Company according to their competence and the scope necessary to solve the problems being discussed during the General Shareholders Meeting
3. The Executive Board should answer the questions of participants at the General Shareholders Meeting taking into account the fact that obligations regarding advising are performed in accordance with regulations of the Polish Commercial Companies Code and public companies and advising is not allowed to be made in different than it is stipulated in the regulations.

§ 7

The General Shareholders Meeting is valid regardless to the number of shareholders attending the General Shareholders Meeting and shares represented by them unless the regulations of Polish Commercial Companies Code provides otherwise.

§ 8

1. The General Shareholders Meeting is being opened by the Chairman of the Supervisory Board, Deputy Chairman of Supervisory Board or other member of the Supervisory Board.
2. First, the person opening the General Shareholders Meeting should ask if anyone attending the General Shareholders Meeting has any objection to broadcasting, recording and making public its image during the course of the General Shareholders Meeting. In case of such objection raised persons responsible for broadcasting, recording or making public of the course of the General Shareholders Meeting are obliged not to broadcast, record or making public the images of persons who raised appropriate objections.
3. Next, the person opening the General Shareholders Meeting orders to elect the Vote Counting Commission.
4. The General Shareholders Meeting elects three person Vote Counting Commission.
5. Candidates for members of the Vote Counting Commission are allowed to be put forward by every shareholder or plenipotentiary for the shareholder. Number of the candidates put forward for members of the Vote Counting Commission has to be equal or higher than number of the members of the Vote Counting Commission to be elected. The candidates for members of the Vote Counting Commission have to express their consent to be the candidate for the member of Vote Counting Commission.
6. The balloting is carried out by the person opening the General Shareholders Meeting.
7. The balloting for particular candidates is carried out in alphabetical order.

8. The members of Vote Counting Commission become persons selected who received in balloting in turn the largest number of votes.

§ 9

1. After the election of the Vote Counting Commission, the person opening the General Shareholders Meeting should lead to immediate election of the Chairman of General Shareholders Meeting.
2. The person opening the General Shareholders Meeting receives the candidates for the Chairman of General Shareholders Meeting from persons entitled to attend the General Shareholders Meeting. Candidates for the Chairman of General Shareholders Meeting should express their consent to be elected the Chairman of General Shareholders Meeting.
3. The balloting on particular candidates is carried out in alphabetical order.
4. The Chairman of General Shareholders Meeting is elected the person who received in balloting the largest number of votes.

§ 10

1. The Chairman of the General Shareholders Meeting conducts the meeting according to adopted agenda, gives the floor and takes the floor, presents the drafts of resolutions, carries out the voting and makes decision on resolution and then he announces it.
2. The Chairman of the General Shareholders Meeting is allowed to take floor the person taking part in discussion if the person in spite of prior rebuke of the Chairman still continues its speech that does not regard the subject of the discussion or its speech is aimed only to disturb the course of the General Shareholders Meeting.

§ 11

1. The Chairman of the General Shareholders Meeting ensures efficient course of the meeting and observance of the law and interest of the shareholders.
2. The Chairman should counteract particularly of the abuse of entitlements by the participants of the General Shareholders Meeting and to ensure the observance of the rights of the shareholders of minority.
3. The Chairman should not resign from its function without any serious reasons.

§ 12

1. The General Shareholders Meeting is allowed to adopt only the resolutions that are on the agenda of the meeting, except ordering matters that may regard only the issues relating to the conduct of the meeting.
2. The resolution on not considering the matter on the agenda is allowed to be adopted if it is supported by material and significant reasons. The motion regarding the resolution should be very much motivated.
3. The Executive Board, the Chairman of the General Shareholders Meeting or shareholders should formulate the draft of the resolutions in the manner that every entitled person who is against be able to claim it.
4. The Chairman takes a vote in the first place on the draft of the resolutions of the Executive Board then further drafts of the resolutions on motion of shareholders in order they were raised.
5. Upon the adoption of the resolution by the General Shareholders Meeting other following drafts of the resolutions regarding the same matter are not subject to voting.

§ 13

1. The Chairman of the General Shareholders Meeting should refrain from making decisions that should be the subject of judicial judgement.

2. The Chairman of the General Shareholders Meeting is obliged to secure the possibility to the person raising the objection to present brief justification of it.

§ 14

1. The shareholder is allowed to vote differently for each share hold.
2. Every registered share of A series is preferred in terms of voting rights and it is equal four votes but every bearer share is equal one vote unless the regulations of Polish Commercial Companies Code provide otherwise.
3. The resolutions are adopted based on absolute majority of votes.
4. Balloting is open. Secret balloting is carried out for the elections or to recall the members of the bodies of the Company and in case of holding those liable and personal matters as well and on the demand of even one of shareholders or plenipotentiary attending the General Shareholders Meeting.
5. Open and secret balloting is carried out by use of electronic system.
6. Prior the commencement of the first voting the person opening the General Shareholders Meeting, the Chairman of the General Shareholders Meeting or the person indicated by them advises the participants of the General Shareholders Meeting about the using of electronic voting system.
7. The Vote Counting Commission by the use of electronic voting system makes the print out which after having signed by the members of the Vote Counting Commission constitutes the protocol with voting results.
8. Protocols with voting results are the appendixes to the protocol of the General Shareholders Meeting.

§ 15

1. The General Shareholders Meeting elects from five to seven members of the Supervisory Board for five year term of the office and sets their remuneration in secret balloting.
2. First the General Shareholders Meeting should adopt the resolution on number of the members of the Supervisory Board to be elected.
3. The candidate or candidates for the members of the Supervisory Board are allowed to be put forward directly by shareholder or plenipotentiary of the shareholder at the General Shareholders Meeting.
4. The person that puts forward the candidate should present the profile of the candidate for the member of the Supervisory Board, and if the person does not attend the General Shareholders Meeting then it should submit to the General Shareholders Meeting its consent in writing to be the candidate for the member of the Supervisory Board.
5. The candidate attending the General Shareholders Meeting should personally express its consent to be the candidate for the Supervisory Board.
6. Number of the candidates proposed for the members of the Supervisory Board has to be equal or higher than the number of the members to be elected to the Supervisory Board.
7. The election of the members of the Supervisory Board is carried out by the Vote Counting Commission.
8. The voting over particular candidates is carried out in alphabetical order.
9. The candidates who received in secret balloting the consecutive highest numbers of votes are the members of the Supervisory Board.
10. During the fixing the remuneration for the members of the Supervisory Board, the General Shareholders Meeting should take into consideration the financial condition of the Company and also to avoid the remuneration to be significant cost item of the Company and it should be in proper proportion to the remuneration of the members of the Executive Board.

§ 16

1. If the election of the members of the Supervisory Board by voting of separate groups is predicted on the agenda of the General Shareholders Meeting then the group or groups are established of shareholders for the election of the members of the Supervisory Board.
2. Minimum number of shares necessary to establish separate group is defined by dividing number of shares represented at the General Shareholders Meeting by the number of posts in the Supervisory Board.
3. Each share is entitled to one vote.

4. The shareholder is allowed to belong only to one election group.
5. The election groups are allowed to join in one in order to elect together the members of the Supervisory Board.
6. Separate list of attendance is being prepared for each election group. In each group their members select the Chairman of the meeting who carries out the election of the member of the Supervisory Board.
7. On demand of the Chairman of the meeting of particular group, the Executive Board is obliged to provide the election group with separate room in order to enable the members of the group to have the discussion on election of the candidates for the Supervisory Board.
8. First, the election of the members of the Supervisory Board is carried out by the members of election group or groups.
9. After completion of voting, the members of particular election group give back their magnetic cards used in voting to the Vote Counting Commission in order to prevent the possibility of voting again on the members of the Supervisory Board.
10. The resolution on election of the member or members of the Supervisory Board adopted by particular group should be recorded by the notary.
11. The shareholders who are not the members of any election group vote the last and they elect the outstanding members of the Supervisory Board.
12. The return of magnetic cards used in voting is performed after the announcement by the Chairman of the General Shareholders Meeting about the completion of election of the members of the Supervisory Board.

§ 17

1. All the resolutions of the General Shareholders Meeting are recorded by the notary.
2. The correctness of calling the General Shareholders Meeting and its ability to adopt the resolutions with the resolutions listed are stated in the protocol. Each resolution adopted is accompanied with the number of shares of valid votes, percentage of shares in company capital, total number of valid votes, number of votes “for” and “against” and “abstaining ones” and claims raised. The attendance list with the signatures of participants in General Shareholders Meeting is attached to the protocol. The Executive Board attaches the evident of calling of the General Shareholders Meeting to the book of protocols.
3. On the demand of the participant of the General Shareholders Meeting its statement in writing is included in the protocol of the General Shareholders Meeting.
4. The Chairman of the General Shareholders Meeting is obligated to sign the protocol of the General Shareholders Meeting immediately after it is made by the notary.

§ 18

1. The representatives of mass media who were given the accreditation have the permission to enter the General Shareholders Meeting.
2. Accreditation is given to the representatives of mass media who advised the Executive Board about their attendance the General Shareholders Meeting at least one business day in advance prior the date of the General Shareholders Meeting to be held.
3. It is permitted to broadcast the course of the General Shareholders Meeting with the use of Internet, recording the course of the meeting and making it public on the website except the image of persons who raised the objections to broadcasting, recording or making public their images during the course of the General Shareholders Meeting.

**Resolution no. 11/2013
of the Supervisory Board of Apator SA dated 14th May 2013
on amendments to the Regulations of General Shareholders Meetings of APATOR SA**

1. Acting based on § 15 para.10 of the Statute of Apator SA the Supervisory Board of Apator SA gives positive opinion of amendments to the Regulations of the General Shareholders Meeting of Apator S.A, that is the appendix to hereby resolution.
2. The Supervisory Board of Apator SA appeals to the General Shareholders Meeting to approve presented proposal of amendments to the Regulations of General Shareholders Meetings of APATOR SA.
3. The resolution comes into life on the day of adoption.

All 6 members of the Supervisory Board attended the meeting voted for their approval.

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

THE REGULATIONS OF THE SUPERVISORY BOARD OF APATOR S.A.

§ 1

Legal basis

1. The Supervisory Board of Apator SA is the statutory body of Apator SA and it acts based on regulations of Polish Commercial Companies Code, the Statute of APATOR SA and hereby regulations.
2. The hereby Regulations are binding since the day of the registration of the Resolution no. 20/VI/2013 of Ordinary General Shareholders Meeting dated 24th June 2013.
3. The matters not regulated by hereby Regulations, the regulations of the Statutes of the Company, regulations of Polish Commercial Companies Code and other legal regulations shall apply.

§ 2

The makeup of Supervisory Board

1. The Supervisory Board is numbered from 5 to 7 persons being nominated by the General Shareholders Meeting.
2. The members of the Supervisory Board are not allowed to be:
 - member of the Executive Board,
 - proxy,
 - manager of the department,
 - chief accountant employed in the Company,
 - legal adviser or barrister employed in the Company,
 - persons directly subject to the member of the Executive Board,
 - members of the Executive Board of subsidiary.
3. The Supervisory Board is appointed for five year common term of the office.
4. Reduction of number of the members of the Supervisory Board during the term of the office not less than 5 Members does not causes the necessity to complete the makeup of the Supervisory Board.
5. The members of the Supervisory Board who resigned are allowed to be appointed again to the member of the Supervisory Board for the next term of the office.
6. The members of the Supervisory Board should have appropriate knowledge and experience and be able to spend necessary time to fulfil their duties.

§ 3

Powers of the Supervisory Board

1. The Supervisory Board is allowed to inspect the activity of the Executive Board and group of Apator among other things by:

- demand from the Executive Board to provide with regular and exhaustive reports and explanations for all significant matters regarding the activity of Apator SA and group of Apator and risks related to the carried out activity,
 - inspection of records and documents of the Company
 - financial inspection and audit of the property of the Company.
2. The Supervisory Board is permanent supervisory and inspection body for the entire activity of the Company.
 3. The Supervisory Board is allowed to appoint the committees and definite the regulations for their activities.
 4. The Supervisory Board deals with matters that pursuant to the law, particularly the Polish Commercial Companies Code and the Statutes of the Company that are not reserved to the exclusive competence of the General Shareholders Meeting, neither to the scope of activity of the Executive Board.
 5. The members of the Supervisory Board are allowed to attend the meetings of the Executive Board with consultative voice.
 6. The Supervisory Board is not allowed to give any binding orders to the Executive Board regarding the activity of the Company.
 7. Pursuant to § 15 point 10 of the Statutes of Apator SA the competence of the Supervisory Board includes:
 - adoption of the resolution regarding the number of the members of the Executive Board of the Company,
 - appointment of the President of the Executive Board and next based on its proposal other members of the Executive Board,
 - dismissal of the Executive Board of the Company, suspension of the duties due to serious reasons all or particular members of the Executive Board as well as to delegate the members of the Supervisory Board to temporary fulfilment of the duties of the members of the Executive Board,
 - establishment of remuneration for the members of the Executive Board taking into account its motivation nature,
 - assessment of the reports of the Executive Board on the activity of the Company and capital group,
 - assessment of separate financial statement and consolidated financial statement for the last financial year in respect of their conformity with books, documentation and facts of the case,
 - nomination of statutory auditor for the auditing of financial statement,
 - submission to General Shareholders Meeting the report in writing on results of the assessment of the reports of the Executive Board and financial statements,
 - preparation and presentation to General Shareholders Meeting the report on the activity of the Supervisory Board covering the concise assessment of the situation of the Company, taking into account the assessment of internal inspection and risk management system being significant to the Company.

- assessment of the motions of the Executive Board regarding the distribution of the profit or coverage of loss,
 - adoption of the resolutions regarding the establishment of enterprises and branch offices of the Company,
 - adoption of the resolutions regarding establishment or liquidation of entities with complete or partial capital of the Company,
 - adoption of resolutions regarding acquisition of property or share in property,
 - adoption of the resolutions regarding the renting of the property of the value exceeding 20 % of share capital,
 - auditing all the documents of the Company, demand from the Executive Board and the employees of the Company reports and explanations for all the matters,
 - auditing of the property of the Company,
 - consideration of any motions and postulates to be the subject of the resolutions and adopted by General Shareholders Meeting,
 - adoption of the Regulations of the Executive Board
8. The Supervisory Board is allowed to convene the General Shareholders Meeting in cases specified by Polish Commercial Companies Code.

§ 4

Liabilities of the Supervisory Board

1. The members of the Supervisory Board fulfil their duties in persons.
2. The members of the Supervisory Board are binding for ban on competition.
3. The members of the Supervisory Board should take appropriate actions in order to keep the Supervisory Board informed on significant matters regarding the Company.
4. Each member of the Supervisory Board should be guided by interest of the Company and by independent opinion and judgements and particularly should :
 - not accept unreasonable benefits that could have negative influence on assessment of its independent opinions and judgements,
 - raise clearly its objection and dissenting vote in case when it finds that decision of the Supervisory Board is in contrary to the interest of the Company.
5. The members of the Supervisory Board should not resign from their functions for the duration of the term of office if it could make the activity of the Supervisory Board unable and particularly it could make unable to adopt the significant resolution in time by the Supervisory Board.
6. The members of the Supervisory Board are obliged to:
 - provide the Company with the information on disposal or acquisition of shares of the Company in case when the value of disposal or acquisition transactions up to date reached or exceeded in the financial year the value of 5.000 Euro translated according to average exchange rate of the National Bank of Poland binding on the day of conclusion of transaction not later than within 5 working days,
 - provide the Company with the information on disposal or acquisition of shares of the Company in case when the value of transactions did not exceed in the financial year the value of 5.000 Euro

translated according to average exchange rate of the National Bank of Poland binding on the day of conclusion of transaction – till 31st January of the next year after the year of transaction regarding disposal or acquisition was made.

- to provide the Executive Board with the information on its links with shareholder holding not less than 5% of total number of votes at General Shareholders Meeting. The above obligation regards relations of economic nature, family one or other that can have the influence on standpoint of the member of the Supervisory Board regarding matter being solved by the Supervisory Board.
 - attendance the General Shareholders Meeting in the makeup enabling to give essential answer for the questions asked during the General Shareholders Meeting
 - to observe the rules of the Best Practices of WSE Listed Companies in the scope the Company undertook to apply.
7. The member of the Supervisory Board is obliged to advise other members of the Supervisory Board about the conflict of interests occurred and restrain to take the floor in discussion and from voting on resolution on the matter where the conflict of interests occurred. The information about the conflict of interests notified should be entered in the minutes of the meeting of the Supervisory Board.
 8. The Supervisory Board is obliged to consider the motions of the Executive Board on acceptance to be given for the conclusion by the Company of significant transaction with related entity, before the transaction is concluded. The above obligation does not apply to typical transactions being concluded on market conditions within operating activity carried out by the Company with subsidiary where the Company is holding majority of capital share.
 9. In case when the Supervisory Board consists of at least 6 persons then it is obliged to appoint the Audit Committee. Annual report on activity of Audit Committee is included in annual report on activity of the Supervisory Board.

§ 5

The arrangement of operation of the Supervisory Board

1. At the first meeting the Supervisory Board, selects the Chairman and Deputy Chairman from the members of the Supervisory Board.
2. The Chairman of the Supervisory Board manages the operation of Supervisory Board and in case of its absence the Deputy Chairman of the Supervisory Board.
3. The Supervisory Board fulfils its duties jointly at the meetings of the Supervisory Board.
4. The Supervisory Board for the proposal of:
 - Chairman of the Supervisory Board or at least three members of the Supervisory Board,
 - Executive Board,
 - General Shareholders Meeting,is allowed to delegate its members to fulfil independently specified supervising and control duties.
5. The rules of performance of such duties including appointment of the Chairman of Inspection Team are specified by the Supervisory Board in its resolutions.

6. The Chairman of Inspection Team advises the Executive Board prior the inspection about the scope and the date of inspection. The inspection duties should not disturb in proper operation of the Company.
7. The Chairman of Inspection Team based on inspection duties makes the report that is submitted to the Supervisory Board.

§ 6

Meetings of the Supervisory Board

1. Meetings of the Supervisory Board are convened and the agenda is settled by the Chairman of the Supervisory Board and in case of its absence by the Deputy Chairman of the Supervisory Board:
 - on own initiative,
 - on the motion in writing submitted by the member of the Supervisory Board within 14 days of the date of submission of the motion,
 - on the motion in writing of the Executive Board within 14 days of the date of submission of the motion,
2. The agenda of the debates of the Supervisory Board is not allowed to be amended or completed during the meeting, unless:
 - all the members of the Supervisory Board are present and they consent to it,
 - failure to adopt the resolution by the Supervisory Board will expose the Company to damage ,
 - the subject of the resolution has to be the assessment if there is any conflict of interests between the member of the Supervisory Board and the Company.
3. The meetings of the Supervisory Board are convened at least 7 days before the date of the meeting to be held.
4. The meetings of the Supervisory Board are convened by the invitation all the members via electronic mail (e-mail). The electronic mail address is made available by Apator SA to every member of the Supervisory Board . In case of technical problems, the invitation is allowed to be made on phone and at the same time suitable note should be made in writing.
5. In particularly justified cases, the meeting of the Supervisory Board is allowed to be convened in urgent course. In such situation it is considered that the meeting was convened properly if the members had been advised about the date of the meeting and none of the members of the Supervisory Board would not raise any objection to the meeting to be held.
6. The members of the Executive Board are allowed to attend the meetings of the Supervisory Board with exception of the part when the issues of the Executive Board or its members are on the agenda.
7. The minutes of the meetings of the Supervisory Board are made and signed by the members of the Supervisory Board attending the meeting.
8. In the minutes of the meeting the following should be included:
 - list of persons attending the meeting,
 - agenda of the meeting,

- concise summary of the issue being discussed,
 - confirmation of the resolution adopted in writing,
 - number of votes given regarding particular resolutions,
 - dissenting votes of the members of the Supervisory Board raised to be entered in the minutes of the meeting.
9. The list of the resolutions adopted is attached to the minutes of the meeting.
 10. The minutes of the meeting is allowed to be signed at the next meeting of the Supervisory Board.
 11. Minutes of the meetings of the Supervisory Board and the resolutions are archived on paper and in electronic carriers.

§ 7

The Resolutions of the Supervisory Board

1. The Supervisory Board makes decisions in form of resolutions and it also regards the following issues:
 - motions to General Shareholders Meeting,
 - opinions, standpoints, initiatives and motions resulting from the Statutes and binding regulations,
 - after inspection recommendations for the Executive Board.
2. The resolutions are valid when all the members of the Supervisory Board are advised about the meeting to be held.
3. The resolutions of the Supervisory Board are allowed to be adopted by use of electronic mail (e-mail). All the members of the Supervisory Board should be advised via electronic mail about the content of draft of the resolution.
4. The member of the Supervisory Board within three working days of the date of receipt of the draft of the resolution, should submit by electronic mail to the electronic mail address indicated by the Chairman of the Supervisory Board if it votes for or against the adoption of the resolution or it declares the abstention.
5. In justified cases the resolutions of the Supervisory Board are allowed to be adopted in writing. The Chairman formulates the resolution and sends it in turns to all the members of the Supervisory Board and advises them via electronic mail or on phone about the content and the manner of proceeding with the resolution. The members of the Supervisory Board vote for or against the resolution or declare the abstention confirmed by signatures.
6. In the mode specified in points 3 – 5 above it is not allowed to adopt the resolutions concerning the following issues:
 - appointment of the Chairman and Deputy Chairman of the Supervisory Board,
 - appointment, dismissal and suspension of the member of the Supervisory Board.
7. For the course of voting carried out in the mode specified :
 - in point 3 – 4 above the minutes of the meeting and resolution are being prepared that should be signed at the next meeting of the Supervisory Board,
 - in point 5 above the minutes of the meeting are being prepared that should be signed at the next meeting of the Supervisory Board.

8. The resolutions including ones in writing or by use of electronic mail are adopted by the absolute majority of votes of the members attending the meeting of the Supervisory Board:
 - at least three members in the five persons makeup of the Supervisory Board,
 - at least of four members in over five persons makeup of the Supervisory Board.
9. In case of equal number of votes, the vote of the Chairman of the Supervisory Board has the casting vote.
10. The resolutions are numbered in turn in progressive order in appropriate calendar year and they are being signed by members attending the meeting of the Supervisory Board.

§ 8

Administration service

The organization unit indicated in organization regulations of the Company is responsible for the provision of administrative service of the meetings of the Supervisory Board based on orders received from the Chairman of the Supervisory Board and the storage of the documentation concerning the course of the meetings.

**Resolution no. 12/2013
of the Supervisory Board of Apator SA dated 14th May 2013
of the report on activity of the Supervisory Board in 2012**

1. The Supervisory Board of Apator SA accepts its Report on its activity in 2012 being the appendix to hereby resolution.
2. The Supervisory Board decides to submit the Report to Ordinary Shareholders Meeting and to file the petition for its acceptance and approval.
3. The resolution comes into life on the date of adoption

For the resolution voted 6 people, abstained 0 people, votes against 0

Janusz Marzygliński	.....
Mariusz Lewicki	.....
Ryszard Wojnowski	.....
Danuta Guzowska	.....
Krzysztof Kwiatkowski	.....
Eryk Karski	.....

Content

1. Makeup of the Supervisory Board	32
2. Meetings of the Supervisory Board in 2012	32
3. Attendance the Supervisory Board Meetings and General Shareholders Meetings	32
4. Information on fulfilment of duties related to Extraordinary General Shareholders Meeting of Apator SA held on 23 rd January 2012	32
5. Information on fulfilment of duties related to Extraordinary General Shareholders Meeting of Apator SA held on 18 th June 2012	33
6. Human resources policy – makeup of the Executive Board of Apator SA	33
7. The status of usage of the Best Practices of WSE Listed Companies by Apator SA at 31.12.2012 and on the date of hereby report	34
8. The usage of Best Practices of WSE Listed Companies by the Supervisory Board in 2012	35
9. The appointment of the entity for the auditing of financial statements for 2012	36
10. The assessment of financial statements of Apator SA and group of Apator for 2012	36
11. Report on the activity of Audit Committee	36
12. Supervision over Apator and group of Apator	37
13. The assessment of internal control system and risk management system significant for the Company	38
14. The assessment of activity and financial results of Apator SA and group of Apator	40
15. The assessment of work of the Supervisory Board and the motion to General Shareholders Meeting	41

1. Makeup of the Supervisory Board

Since 1st January 2012 till 31st December 2012 and on the date of hereby report i.e. 14th May 2013 the makeup of the Supervisory Board is as follows:

1. Janusz Marzygliński - Chairman of the Supervisory Board
2. Mariusz Lewicki - Deputy Chairman of the Supervisory Board
3. Danuta Guzowska - Member of the Supervisory Board
4. Krzysztof Kwiatkowski - Member of the Supervisory Board
5. Ryszard Wojnowski - Member of the Supervisory Board
6. Eryk Karski - Member of the Supervisory Board

The Supervisory Board of Apator SA is nominated for five years on common tenure. The year 2012 was the third one of the activity of the Supervisory Board of the seventh tenure, nominated by General Shareholders Meeting on 21st June 2010. The tenure of the Supervisory Board expires on the date of the Ordinary General Shareholders Meeting to be held when the financial statement for 2015 is being approved.

2. The Meetings of the Supervisory Board in 2012

The Supervisory Board fulfilling its duties had in its reporting period 11 meetings during them it adopted 27 resolutions and took positions in matters in agenda. Meetings took place 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 2012.

Minutes of meetings of the Supervisory Board were made and stored with other documentation in the place of activity of the Company in Ostaszewo.

3. Attendance the Supervisory Board Meetings and General Shareholders Meetings

The members of the Supervisory Board fulfilled their duties personally at the meetings of the Supervisory Board in the makeup enabling to adopt the resolutions including:

- at six meetings – attendance 100 per cent
- at three meetings – attendance 83 per cent
- at two meetings – attendance 67 per cent

All absences were excused.

Pursuant to the rules of corporate governance the members of the Supervisory Board attended the General Shareholders Meetings in the makeup enabling to give essential answer any possible questions.

4. Information on fulfilment of duties related to the Extraordinary General Shareholders Meeting of Apator SA held on 23rd January 2012.

The Supervisory Board gave positive opinion on motions raised to Extraordinary General Shareholders Meeting in the scope:

- closing of the Program for the repurchase of own shares in order to their redemption dated 20th June 2011, where the Company did not purchase any shares on WSE,
- liquidation of the fund of redemption of shares
- consent given for gratuitous acquisition of 2.000.000 shares from Apator Mining Sp. z o.o. in order to their redemption without remuneration,
- opening the Program for gratuitous acquisition of shares in order to their redemption without remuneration where Apator SA acquired 2.000.000 shares from Apator Mining Sp. z o.o.

5. Information on fulfilment of the duties related to Ordinary General Shareholders Meeting of Apator SA held on 18th June 2012

On 10th May 2012 the Supervisory Board gave positive opinion to motions raised to Ordinary General Shareholders Meeting in the scope:

- reports of the Executive Board on activities of Apator SA and group of Apator in 2011,
- separate and consolidated financial statements for 2011,
- distribution of the profit of the Company for 2011 and the payment of dividend in gross value of 0,75 PLN per share i.e. in total amount of 24.830.271,00 PLN,
- redemption of 2.000.000 bearer shares gratuitous acquired from Apator Mining Sp. z o.o.,
- reduction of the share capital of Apator SA due to redemption of shares,
- amendments to § 7 of the Statutes of Apator SA regarding the reduction of the share capital to the amount of 3.310.702,80 PLN and acceptance of the uniform text of the Statutes of the Company,
- amendments to § 8 and § 9 of the Regulations of General Shareholders Meetings regarding the appointment of the Chairman of General Shareholders Meeting by the person opening General Shareholders Meeting but not by Vote Counting Commission,
- closing the Program for gratuitous acquisition of own shares for their redemption without remuneration dated 23rd January 2012 where the Company acquired 2.000.000 bearer shares from Apator Mining Sp. z o.o.,
- opening the Program for gratuitous acquisition of next own shares in number of 3.600.000 from Apator Mining Sp. z o.o. for their redemption, however the resolution has not been adopted by General Shareholders Meeting.

Moreover, The Supervisory Board presented to Ordinary General Shareholders Meeting the report on its activity in 2011 and asked about its approval.

6. Human resources policy – makeup of the Executive Board of Apator SA

The competence of the Supervisory Board covers:

- establishment the number of the members of the Executive Board of the Company,
- appointment and dismissal of the Executive Board,
- appointment of the President of the Executive Board,
- suspension in the performance of the duties due to serious reasons all or particular members of the Executive Board,
- delegation of the members of the Supervisory Board to temporary fulfilment of the duties of the members of the Executive Board,
- establishment the remuneration of the Executive Board taking into account its motivating nature.

In 2012 the Company was managed by the Executive Board with the makeup of:

- Janusz Niedźwiecki – President of the Executive Board,
- Tomasz Habryka – Member of the Executive Board,
- Jerzy Kuś – Member of the Executive Board

The tenure of the Executive Board lasts three years and it ends on the date of Ordinary General Shareholders Meeting of Apator SA to be held on 24th June 2013.

Remuneration of the Executive Board in 2012 was in total 2.044.000 PLN including extras and awards that were in amount of 902.000 PLN that is 44%.

The remuneration of the members of Executive Board was established based on transparent rules and it took into account:

- care about provision of effective management of the Company,
- motivating nature of the remuneration

Remuneration resulted from the scope of responsibility of particular members of the Executive Board and they were in reasonable relation to:

- the level of remuneration of Executive Boards in similar public companies,
- the market value of the Company

In the reporting period the Supervisory Board did not use the entitles specified in art. 383 of Polish Commercial Companies Code that is;

- it did not suspend particular members of the Executive Board from the performance of their duties
- it did not delegate members of the Supervisory Board to temporary fulfilment of duties of members of the Executive Board.

In opinion of the Supervisory Board, the Executive Board performed in reporting period and it still performs its duties pursuant to all formal and legal requirements and its work brings positive effects that cause the increase of the goodwill of Apator SA and group of Apator.

The Supervisory Board submits the motion to General Shareholders Meeting to give the vote of approval to all members of the Executive Board.

7. The status of usage of Best Practices of WSE Listed Companies by the Supervisory Board at 31.12 2012 and on the date of hereby report

Apator SA in 2012 respected the rules included in the document “Best Practices of WSE listed Companies” with the exception:

- rule I.1 regarding broadcasting of the course of General Shareholders Meeting via Internet,
- rule IV.10 regarding the attendance of the shareholders in General Shareholders Meeting by use of electronic communication means

Since 1st January 2013 Apator SA respects the rules included in the document amended “Best Practices of WSE listed Companies” with exception:

- rule I.12 regarding provision to shareholders the possibility to vote personally or by plenipotentiary during General Shareholders Meeting, being beyond the place of General Shareholders Meeting held and by use of electronic communication means
- rule IV.10 regarding the attendance the General Shareholders Meeting using of electronic communication means by:
 - 1) broadcasting of the course of General Shareholders Meeting in real time,
 - 2) bidirectional communication in real time where the shareholders are allowed to take floor during the course of the General Shareholders Meeting being in other place than the place of the debates are held.

The Company does not apply the above rules due to lack of interest by shareholders in such a solution and the necessity to bear extra costs by the Company. In order to make possible to shareholders to get familiar with the course of the debates, the Company makes some recording of the course of the debates in video and makes it public on its website address – www.apator.com.

8. The usage of “Best Practices of WSE Listed Companies” by the Supervisory Board in 2012

The Supervisory Board acts pursuant to the rules of corporate governance. During the last year there was no case of breaching by the Supervisory Board any of accepted rules of “Best Practices of WSE listed Companies”

The members of the Supervisory Board were performing their duties personally related to General Shareholders Meetings and according to law regulations they advised about purchase or sales transactions of shares of Apator SA. Moreover, some part of them participated in the Executive Board Meetings.

The remuneration of members of the Supervisory Board were in reasonable relation to economic results of Apator SA and they were 402.000 PLN. The Chairman of the Supervisory Board received 6000 PLN per month but each member of the Supervisory Board received 5500 PLN per month.

The members of the Supervisory Board in their activity were guided by the interest of the Company and independent opinions and judgements.

There were no situations where any member of the Supervisory Board would have to state of the possibility of occurrence any links of economic nature, family or other one that could have the influence on its position concerning the issue to be solved by the Supervisory Board with the shareholder holding shares representing not less than 5% of the total number of votes at the General Shareholders Meeting.

In the reporting period there were no situations as well in result of them the members of the Supervisory Board would have to advise about the occurrence of the conflict of interests or the possibility to arise of such one and in effect they would have to restrain from taking floor in discussion at the Supervisory Board Meeting and from voting on the resolution on the issue where the conflict of interests had occurred.

9. Appointment of the entity for auditing of financial statements for 2012.

The Supervisory Board of Apator SA at the meeting on 23rd January 2012 after having known with recommendation of the Audit Committee appointed KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k to make review of separate and consolidated financial statements for 2012-2013. The above entity audited also the financial statements for 2011.

10. The assessment of financial statements in Apator SA and group of Apator for 2012

Apator SA prepares separate and consolidated financial statements pursuant to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Moreover financial statements are prepared pursuant to the Regulation of Minister of Finance dated 19th February 2009 (with later amendments) regarding current and regular information being transferred by the issuers of securities and conditions of the information to be considered as equivalent one required by law of the country not being the member of the EU.

The Supervisory Board supervised over preparation of financial statements. The Supervisory Board based on positive recommendation of the Audit Committee dated 29th April 2013 made the assessment of financial statements prepared by the Executive Board of Apator SA and group of Apator. The Supervisory Board states that financial data presented in financial statements for all reporting periods in 2012 are reliable, correct and real and they are prepared according to binding accounting rules being applied permanently based on correct accounting books kept.

11. The report on activity of Audit Committee

Under the Supervisory Board, Audit Committee acts as advising body, particularly in financial reporting. The tenure of Audit Committee is common for all its members and it is the same as the tenure for the members of the Supervisory Board. Minutes of the meetings are made at the meetings of Audit Committee that are stored with other documentation of the Supervisory Board in the headquarters of the Executive Board of the Company. Since 1st January till 31st December 2012 and at the date of preparation of hereby report, Audit committee acted in the following makeup:

- Mariusz Lewicki – Chairman of the Committee,
- Ryszard Wojnowski – Member of the Committee
- Krzysztof Kwiatkowski – Member of the Committee

Krzysztof Kwiatkowski is independent member of Audit Committee. Audit committee performing its duties had 7 meetings in the reporting period when adopted 3 resolutions and took its standpoint in the matter regarding the agenda. The meetings took place in the following terms: 23rd January, 30th March, 27th April, 10th May, 10th August, 30th August and 18th December.

Audit committee in 2012 considered the following issues:

- analysis of statement confirming independence of the entity entitled to audit financial statements for 2011 – KPMG Sp. z o.o. sp. k. and independence of statutory auditors making audit of financial statements,

- report on recommendations of statutory auditor,
- analysis of the schedule of works regarding the audit of financial statements for 2011
- positive recommendation to be given the Supervisory Board regarding the auditing of financial statements and reports of the Executive Board for 2011
- discussion on results of the audit of financial statements for 2011 with participation of statutory auditors of KPMG,
- analysis of the results of inventory of the components of the property,
- analysis of the offers for auditing of financial statements for 2012,
- giving the recommendations concerning the appointment of KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. for auditing of financial statements for 2012-2013 to the Supervisory Board,
- analysis of the schedule of works concerning auditing of financial statements for the first half of 2012,
- results of the inventory carried out of the property of the Company,
- discussion on results of auditing of financial statements for the first half of 2012 with participation of statutory auditors of KPMG,
- currency exposure and its hedging policy,
- analysis of accounting policy,
- analysis of management system,
- value of hedging transactions in group of Apator, its performance and evaluation,
- analysis of insurance contracts concluded,
- proceeding after the control carried out by Tax Audit Office,
- analysis of risk management and internal control,
- analysis of the schedule concerning works in respect of auditing of financial statement for 2012,

12. Supervision over the activities of Apator and group of Apator

The Supervisory Board supervises over activity of the Company on permanent basis and the operation of the Executive Board by:

- analysis of documents received from the Executive Board on the request of the Supervisory Board,
- getting the information and detail explanations from members of the Executive Board and other employees of the Company during the debates at the Supervisory Board Meetings,
- attendance of members of the Supervisory Board the Executive Board Meetings,
- activity of the Audit Committee,
- activity of the statutory auditor who on behalf of the Supervisory Board made audit and review of financial and accounting documentation prepared base on it financial statements.

In 2012 the Supervisory Board supervised inter alia the following areas:

- process of transfer of the activity to new Company in Pomeranian Special Economic Zone at Ostaszewo,
- analysis of financial liquidity of Apator particularly in the view of financing of investment expenses related to the construction of a new Company,
- take-over of GWi Ltd. by Apator Metrix SA,
- nomination of the candidate for the President of the Executive Board for the tenure 2013-2015,
- analysis of the resolutions of the Executive Board,
- performance of dividend policy including the payment of interim dividend forward the expected dividend from the profit for 2012,

- conclusion and performance of hedging transactions,
- the level of remuneration of the Executive Board of Apator SA and the Executive Boards of entities in group of Apator,
- restructuring of Apator Elektro in Moscow.

13. The assessment of internal control and risk management system significant for the Company

Internal control system of Apator SA is based on specified division of the entitles, duties and the responsibility being announced in the Company by Organizational Regulations, description of posts and other regulations included in procedures, instructions and orders. The system is supervised by the managers of organizational units, directors of sections and the Executive Board of the Company in the mode:

- current,
- weekly meetings of managers in the section with director of the section,
- monthly meeting of managers and section directors with the Executive Board of the Company,
- weekly meetings of directors of sections with the Executive Board of the Company,
- weekly meetings of the Executive Board

Internal control is carried out directly by every employee including functioning self-assessment system. Moreover, the employee is being controlled by its direct superior and persons cooperating with it in the aspect of quality and correctness of duties being performed. The target of those actions is to ensure the compliance of the actions performed with binding procedures and requirements including legal requirements. The Executive Board of the Company is responsible for the entire internal control carried out, making minimal exposure of the risk level and also for identification of new threats. Internal audit is being performed in the Company by Costs and Analysis Department that every month makes analysis the costs bored by particular organization units and their deviations from planned assumptions and the reasons of the deviations. The works are managed by Finance Director.

The Supervisory Board supervises over the above aspects at its meetings inter alia by:

- analysis of monthly financial statements of Apator SA and the entities in group of Apator including monthly consolidated financial statements,
- analysis of quarterly, semi-annual and annual financial statements of Apator SA and the entities of group of Apator including consolidated financial statements,
- analysis of risks identified,
- cooperation with statutory auditor

One of the main tools of internal control is BaaN IV Integrated Management System operating both in Apator SA and in subsidiaries: FAP Pafal SA, Apator Metrix SA, Apator Powogaz SA and Apator Control sp. z o.o.

The next tool of internal control is implemented management system based on ISO standards 9001:2000, ISO 14001 and the standard 18001 Occupational Health and Safety Management Systems. The supervision is carried out by quarterly and annual reports on functioning of the system in main processes:

- marketing and sale,
- purchasing,

- design,
- manufacturing,
- environment protection,
- occupational health and safety at work

The next tool of control system is financial and management reporting. The results of activity are presented in financial statements prepared by Accounting Department of Apator SA. In group of Apator each entity has its accounting policy based on the principles applied of registration of events occurred in parent entity. In consequence of the registrations made, accounting books are established for particular entities in the group being further the base to prepare separate financial statements by all the entities in the group. Separate financial statements are the base to prepare consolidated financial statements of group of Apator.

The risk areas occurring in group of Apator are reduced by internal control systems operating in subsidiaries in similar manner like it is in Apator SA by implementation of new, common solutions regulated by the corporate guidelines, functioning of Manufacturing Management Committee and by system of external control such like:

- common statutory auditor for all entities in group of Apator – KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k.
- common certifying body of Management System – Polish Register of Shipping

Based on annual assessment made of the procedures applied, the Supervisory Board states that internal control systems in Apator SA and in group of Apator operate correctly and effectively.

In Apator SA operates risk management system based on international standard ISO 31000 with the usage of “Bow-Tie” method. Risk management is subject to the assessment and supervision of Audit Committee of the Supervisory Board and it is the integral part of Management System in Apator SA. The effectiveness of the operation of the system is monitored within internal audits of Management System. In the Company were identified risks with probability and effects scales. The reference to the scale of effectiveness is approximate value of annual profit on sales of Apator SA since the important part of the net profit are dividends from the entities. Further risk values were estimated and the level of their tolerance was specified. In effect of those actions the risk map has been made that allows unambiguously to specified key risks.

Risk Manager was appointed in the Company who is responsible for risk management system. Risk Manager manages the registration of identified risks and it keeps the registration of incidents and enters amendments to the risk map.

Important risks for Apator and entities in group of Apator:

The main risks are as follows:

- risk related to currency exchange rate,
- credit risk,

- risk related to the changeability of selling and financial liquidity

Export is significant source of revenues for group of Apator. Further to the above hedging transactions are permanent element of business activity. The value of export for given year is assumed based on estimations of traders acting on particular foreign markets and next the decisions on the level of hedging are made under binding internal regulations. Credit risk is limited by taking credits in Polish zloty. Interest rate depends on WIBOR. The risk related to sales and financial liquidity is being reduced by usage of procedures of proceeding like orders of financial control of sales in BaaN system or service of receivables in BaaN system. The Supervisory Board states that in result of control and monitoring carried out by the Executive Board of Apator SA and permanent supervision of the Supervisory Board and Audit Committee the main risks are materially limited.

Other risks including those related with the compliance with binding law regulations are also correctly identified and managed.

14. The assessment of activity and financial results of Apator SA and group of Apator

On 23rd January 2012, the Supervisory Board approved activity plan of Apator SA for the period 2012-2014. Next, the Supervisory Board supervised on permanent basis over performance of that plan and at every meeting it analyzed current financial and economical results of the Company, particularly the performance of the home sales and export, costs incurred, margin, stock management and financial means management. The Supervisory Board analyzed also current financial results of entities in group of Apator, growth plans and consolidated financial results.

Group of Apator in spite of lasting slow-down of the economy achieved in 2012 the highest in its history financial results. The revenues from sales were 669 m PLN including export of 241 m PLN, profit on sales was 78 m PLN and net profit 96 m PLN. The share of export in sales in 2012 was 36%. Group of Apator was extended by GWi Ltd - manufacturer of gas meters with headquarters at Coventry in the United Kingdom.

In 2012, Apator SA completed the investment being performed since 2011 – construction of the modern Company in Pomeranian Special Economic Zone and transferred its activity to new location. Modern manufacturing Company gives new perspectives for Apator SA. The application of modern technology and automated machine park will cause the increase in scale and the range of activity and owing to the activity conducted in economic zone gives the possibility to make use of some relief – return up to 50% of expenditure incurred as the tax shelter.

In opinion of the Supervisory Board financial results achieved in 2012 by group of Apator are very good both taking into account the revenues and profitability achieved. Taking into account the above elements they place the group of Apator at the high level among the Polish companies including WSE listed companies. At the same time the Supervisory Board emphasizes that Apator SA as one of the few companies announces consequently forecast of consolidated financial results and makes payment of dividend.

15. The assessment of the activity of the Supervisory Board and the motion to General Shareholders Meeting

The Supervisory Board considers that it fulfilled its obligations complying with all formal and legal requirements and its work contributed to the increase of growth of the goodwill of the Company and increased the confidence of shareholders.

The Supervisory Board gathers to the General Shareholders Meeting to approve the report on activity and give the vote of approval to all the members of the Supervisory Board for 2012.

Chairman of the Supervisory Board

Janusz Marzygliński