

### **Supervisory Board report on Resbud SE 2018 annual report.**

This report has been prepared by the Supervisory Board of Resbud SE in accordance with the § 333 (1) of the Commercial Code and shall be presented to the Annual General Meeting on 11 September 2019.

#### **1. Approval of Annual Report.**

The Supervisory Board has revised the 2018 Annual Report of Resbud SE, composed by the Management Board and audited by Lahendus Pluss KV OÜ the financial statements and management report (the annual report), and the Management Board proposal for profit distribution. In opinion of the Supervisory Board of Resbud SE the Annual Report has been prepared in accordance with the company's Articles of Association, corporate governance, accounting principles, IFRS, regulatory requirements and internal regulations. The Supervisory Board considers that the financial statements give a true picture of the financial results of Resbud SE for 2018 financial year, therefore the Supervisory Board approves the annual report of Resbud SE for 2018 prepared by the Management Board

#### **2. Organization and management of the activities of the Company.**

According to the Commercial Code and the Articles of Association of the Company members of the Supervisory Board of Resbud SE are elected by the shareholders meeting. During 2018, the Supervisory Board consisted of 5 members in the following composition: Mr. Damian Patrowicz (Chairman), Ms. Małgorzata Patrowicz, Ms. Martyna Patrowicz, Mr. Jacek Koralewski and Mr. Wojciech Hetkowski.

Supervisory Board members align their activities in accordance with the Articles of Association of the Company, the Corporate Governance Code, the regulations of the Warsaw Stock Exchange and the current legislation. The Supervisory Board is responsible for planning and managing the activities of Resbud SE and for controlling the activities of the Management Board.

Supervisory Board members take an active part in defining long-term objectives of the Company, the annual operating plan and approval of the Company's budget.

According to the Articles of Association, the Supervisory Board also approves the activities beyond the scope of everyday business transactions, and reconciles transactions in which the Company's management has asked the Supervisory Board's position. Detailed rules for the functioning of the Resbud SE Supervisory Board are defined by the company statute and the Supervisory Board rules available on the Issuer [www.resbud.pl](http://www.resbud.pl) website.

The Management Board and the Supervisory Board hold joint meetings on matters relating to the Company's strategy. The Management Board members have participated in Supervisory Board meetings, delivered information about the Company's business results and have provided the substantive explanations. The interaction between the management board and the Supervisory Board has been working smoothly, and the Supervisory Board has been able to carry out control over the activities of the management.

Since the composition of the supervisory board does not exceed 5 persons before the transfer of the company to Estonia, the functions of the Audit committee up to the date of the year of 20.10.2018 are entrusted to the entire composition of the supervisory board. On 20.10.2018 the Supervisory Board of the company decided to appoint an audit committee in three-person composition, namely: Wojciech Hetkowski – Chairman, Jacek Koralewski – Member, Małgorzata Patrowicz – member. In the assessment of the supervisory board, the audit committee in the selected personal composition fulfils the requirements set out in 128 paragraph. 1 and art. 129 paragraph. 1, 3, 5 and 6 of the Polish Statutory Auditors Act.

The Audit committee conducts the monitoring of auditing of financial statements by the statutory auditor and includes an audit on how to draw up the Management Board report from the Company's activities and prepare the relevant resolutions The ordinary general meeting of shareholders.

Detailed information according organization and managing the activities of Resbud SE Supervisory Board was included in Corporate Governance Report prepared as part of the Resbud SE annual Report for 2018.

Signatures:

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Anna Jõemets

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Andrei Prakopchik

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Alexey Petrov