

**Reports and evaluations
of the Supervisory Board¹**

**Stalexport Autostrady S.A.
with its registered office in Mystowice
for 2015**

¹ Approved by the resolution of the Supervisory Board No. 01/03/2016 of 2 March 2016

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This Report was prepared with relation to the following regulations:

- The Polish Code of Commercial Partnerships and Companies – article 382 §3,
- “Good Practices of WSE Listed Companies” (Part III section 1 item 1), appended to the Resolution No. 19/1307/2012 of the Supervisory Board of GPW w Warszawie [WSE] S.A. of 2 November 2012, (in force in 2015),
- Statutes of Stalexport Autostrady S.A.,
- Regulations of the Supervisory Board of Stalexport Autostrady S.A.

I. SUPERVISORY BOARD'S REPORT ON ACTIVITIES IN 2015

1. Subject and period of the report

The report on activities of the Supervisory Board of Stalexport Autostrady S.A. with its registered office in Mysłowice (hereinafter referred to as "Stalexport Autostrady" or the "Company") covers the period from 1 January 2015 to 31 December 2015.

2. Legal basis of the Supervisory Board's activities

The Supervisory Board operates pursuant to the provisions of the law, including article 382 et seq. of the Polish Code of Commercial Partnerships and Companies (hereinafter referred to as KSH), relevant provisions of the Statutes adopted by the General Meeting as well as the Regulations of the Supervisory Board, the wording of which is available on the website of Stalexport Autostrady S.A..

3. Number of members and line-up of the Supervisory Board

Pursuant to § 14 of the Company's Statutes, the Supervisory Board is composed of 5 to 9 persons appointed for the joint term of office of three years. The General Meeting (hereinafter referred to as GM) appoints and recalls members of the Supervisory Board having first determined their number for a given term of office.

On 3 April 2013, the Ordinary General Meeting (by adopting the Resolution No. 21) decided that the Supervisory Board of the eighth term (2013-2015) shall be composed of seven members.

In the period from 1 January 2015 to 31 December 2015 (and as at the date of the Report), the Supervisory Board was composed of the following seven members:

1. Roberto Mengucci – Chairman,
2. Aleksander Galos – Deputy Chairman,
3. Michelangelo Damasco – Secretary,
4. Nicoló Caffo,
5. Pietro La Barbera,
6. Costantino Ivoi,
7. Tadeusz Władyka.

Two members of the Supervisory Board, i.e. Mr Aleksander Galos and Mr Tadeusz Władyka, meet the criteria of independent members.

The Supervisory Board acts pursuant to the law, including the Polish Code of Commercial Partnerships and Companies and the Statutes adopted by GM. Moreover, pursuant to the Company's Statutes, the Supervisory Board adopted its Regulations defining the course of

proceedings. These Regulations are available on the corporate website of Stalexport Autostrady (www.stalexport-autostrady.pl).

The Supervisory Board's committees act pursuant to the Regulations adopted by the Supervisory Board. These Regulations form Enclosures to the Regulations of the Supervisory Board. They are also available on the corporate website of the Company (www.stalexport-autostrady.pl).

4. Basic forms and directions of activities of the Supervisory Board

In 2015, the Supervisory Board supervised activities of the Company in all areas as well as performed its responsibilities and exercised its rights resulting from the provisions of the Company's Statutes, the Polish Code of Commercial Partnerships and Companies as well as other provisions of the law.

The Supervisory Board performed its activities collectively, that is at the Meetings of the Board. Throughout the reporting period, the Supervisory Board held 3 recorded meetings (on 5 March 2015, 24 June 2015 and 21 December 2015), all in the line-up sufficient for adopting valid resolutions.

At the meetings, the Supervisory Board addressed the issues resulting from the Polish Code of Commercial Partnerships and Companies, the Company's Statutes, the Regulations of the Supervisory Board as well as the matters related to the current activities of the Company.

In 2015, the Supervisory Board adopted 10 resolutions. Prior to adoption of the resolutions, the addressed matters had been analysed and discussed.

The Supervisory Board monitored the Company's operation mainly by examining the documents submitted by the Management Board. In 2015, the Supervisory Board focused their attention specifically on the following:

- Materials and resolutions submitted to the General Meeting by the Management Board;
- Financial standing of the Company and the activities of the Capital Group;
- Periodic reports on the budget execution by the Company and its Capital Group;
- Settlement of previously adopted bonus tasks and determination of the new ones;
- Upcoming changes in legislation related to capital markets, specifically with respect to the obligation of information disclosure;
- New Good Practices for Companies Listed on the Warsaw Stock Exchange applicable as of 1 January 2016 ("DPSN 2016").

5. Report on the activities of the Supervisory Board's committees in 2015

On 5 July 2013, acting pursuant to § 25(2) of the Regulations of the Supervisory Board of Stalexport Autostrady and pursuant to Good Practices of WSE Listed Companies, including in particular good practices for members of supervisory boards, the Supervisory Board appointed the Audit Committee and Remuneration Committee out of the Supervisory Board members as follows:

- 1) **Remuneration Committee:**
 - Roberto Mengucci – Chairman,
 - Aleksander Galos,
 - Costantino Ivoi,
 - Tadeusz Włudyka.
- 2) **Audit Committee:**
 - Costantino Ivoi – Chairman,
 - Aleksander Galos,
 - Michelangelo Damasco.

In the reporting period and as at the date of the Report, the composition of the above-mentioned committees of the Supervisory Board remained unchanged.

The above-mentioned committees acted based on the regulations adopted by the Supervisory Board. These regulations form enclosures to the Regulations of the Supervisory Board. They are available on the corporate website of the Company (www.stalexport-autostrady.pl).

5.1. Report on the activities of the Audit Committee

In 2015, the Audit Committee focused on analysis and evaluation of the financial statements of Stalexport Autostrady S.A. and Stalexport Autostrady Group for the financial year from 1 January 2014 to 31 December 2014 as well as the motion of the Management Board regarding the distribution of net profit for 2014.

5.2. Report on the activities of the Remuneration Committee

The Remuneration Committee evaluated the following:

- performance of the bonus tasks being the basis for awarding the annual bonus to members of the Management Board for 2014,
- determination of the bonus tasks for members of the Management Board for 2015.

Considering the above, the Supervisory Board positively evaluates the work of the Board's committees in 2015.

II. REPORT ON EVALUATION OF THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF STALEXPORT AUTOSTRADY S.A., OF SEPARATE FINANCIAL STATEMENTS OF STALEXPORT AUTOSTRADY S.A., OF MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF STALEXPORT AUTOSTRADY GROUP AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2015 IN TERMS OF THEIR CONFORMITY WITH THE BOOKS AND ACTUAL STATE

Under its responsibilities resulting from the Statutes, the Supervisory Board reviewed and evaluated the following documents prepared in line with the requirements of the International Accounting Standards:

- 1) separate financial statements of Stalexport Autostrady S.A. – for the period from 1 January 2015 to 31 December 2015,
- 2) consolidated financial statements of Stalexport Autostrady Group – for the period from 1 January 2015 to 31 December 2015.

The audit of the Company's financial statements, within the meaning of the provisions of the Accounting Act, for the period from 1 January 2015 to 31 December 2015, was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. (formerly Deloitte Audyt Sp. z o.o.) with its registered office in Warszawa, Al. Jana Pawła II 19, entered in the list of entities authorised to audit financial statements maintained by the National Chamber of Statutory Auditors under No. 73, selected by the Supervisory Board.

The financial statements for 2015 were evaluated by the Supervisory Board's Audit Committee at the meeting of 2 March 2016 attended by the representative of the Company's auditor, i.e. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. The meeting was also attended by the Vice-president of the Management Board - the Chief Financial Officer (CFO) and the Chief Accountant.

Under its responsibilities resulting from article 382 §3 of the Polish Code of Commercial Partnerships and Companies, the Supervisory Board thoroughly analysed the evaluation of the audited separate financial statements of Stalexport Autostrady S.A., the consolidated financial statements of Stalexport Autostrady S.A. and the Management Board's reports on the activities of the Company and the Group for 2015. The Supervisory Board concluded that the said statements and reports had been prepared in line with the books and documents of the Company as well as the actual state of affairs, and reflect in a reliable manner – *in all aspects* – the financial standing of the Company and Stalexport Autostrady Group.

In terms of the above-mentioned evaluation, the Supervisory Board focused particularly on the degree of transparency and openness of the financial statements with the objective to present a reliable and accurate description of the financial standing of Stalexport Autostrady S.A.

Both the Company's Management Board and the auditing company presented to the Supervisory Board the existing material risks and valuated the assets according to the prudence principle in line with the applicable law.

III. EVALUATION OF THE COMPANY'S SITUATION

The Supervisory Board of Stalexport Autostrady, acting in line with the Good Practices of WSE Listed Companies followed by the Company (more information in Section 7 of the Management Board's report on the activities of the Company in 2015), particularly in line with the good practices followed by members of supervisory boards – **carried out a brief evaluation of the Company's situation, including particularly evaluation of the internal control system as well as the system for management of the risks significant for the Company.**

The evaluation was carried out based on the knowledge of members of the Supervisory Board, current as of its date, and based on the Company's reports for 2015 and the auditor's opinions and reports concerning these statements.

A detailed analysis of the situation of Stalexport Autostrady S.A. in 2015 has been included in the separate financial statements of Stalexport Autostrady S.A. as well as the Management Board's report on the activities of the Company in 2015.

The above-mentioned reports include the most important information on the activities of Stalexport Autostrady S.A. in 2015.

1. Evaluation of the activities of Stalexport Autostrady S.A.

The Supervisory Board, as the Management Board, evaluates that 2015 was a stable and a relatively peaceful period in terms of Stalexport Autostrady S.A.'s activities. The Company was performing its tasks in the area of corporate governance in relation to Group companies and in the area of the lease of office space in a building co-owned by the Company, located in the centre of Katowice. Corporate governance was primarily related to the companies responsible for the management, toll collection and maintenance of the Katowice-Kraków section of the A4 motorway.

The Company recorded the revenue of PLN 3.75 million, which was similar to that in 2014 (PLN 3.79 million), and the net profit amounted to PLN 5.1 million.

The revenue from the lease of office space in 2015 was more or less the same as in 2014 and amounted to PLN 3.3 million, which should be considered a good result, given a noticeable increase in the number of new office buildings in Katowice as well as modernised older properties.

As to the results of Stalexport Autostrady Group, the revenue increased by approximately 18% as compared to 2014 and amounted to PLN 262.5 million.

The said increase was primarily due to a change in toll rates for using the Katowice-Kraków section of the A4 motorway, which took place on 1 March 2015, and to an increase in traffic to almost 37 thousand vehicles per day, i.e. by 8.6% as compared to 2014.

The most important investment phase associated with an increase in the flow capacity of the toll collection plazas was completed in 2015, namely the toll collection equipment was

replaced, and the new one, apart from the traditional method of paying by cash or bank cards, allows fast payments by means of fleet, fuel and proximity cards designed for frequent motorway users (the so-called A4 cards). Given a very large traffic growth in 2015 and the fact that we expect this tendency to continue, Company is analysing the potential for further increase in the flow capacity of the toll collection plazas, focusing in particular on the study of the possibility of launching the electronic toll collection system which would enable the motorway users to pass through the toll collection gates in the stop&go and slow&go mode.

2. Perspectives for development of Stalexport Autostrady Group

Taking into account the present condition of the road infrastructure and development needs, the Ministry of Infrastructure developed the “Programme for Construction of National Roads for the Years 2014–2025 (with perspective of 2025)” (hereinafter referred to as the “Programme”). On 8 September 2015, the Programme was approved by the resolution of the Council of Ministers.

This document defines the objectives and priorities, both in terms of investments and of road network maintenance. The Programme indicates the physical scope scheduled to be implemented in the years 2014–2023 as far as new road investments are concerned. The estimated level of capital flow for their implementation under the National Road Fund is estimated at PLN 107 billion. This amount is allocated for the implementation of investment tasks consisting in the construction of motorways, expressways and ring roads around certain towns.

Apart from the financing under the National Road Fund, the Programme provides for the construction of motorway sections in the off-budget (commercial) system, but still under the control of the public party, mostly through a special purpose vehicle operating in the road sector. This could potentially affect the construction of certain sections of the motorways A1, A2 and A18, with the investment priority to the construction of the Tuszyn-Częstochowa section of the A1 motorway. The Programme does not mention the financing of road infrastructure in the classic public-private partnership system.

As the policy of the public party changes frequently, the Company plans to analyse the situation on this market on the date-to-date basis.

According to the declarations of the Management Board, if any new invitation to public tender being of interest to Stalexport Autostrady is issued, it shall be analysed by the Company and if it is positively verified and meets the strategic objectives of the Group, the Company shall decide to participate in such a tender.

The Company also doesn't exclude the option of equity investment in some of the existing concession projects in Poland if another participant of the projects is ready to quit the project or if one of the consortiums looks for additional capital support.

Moreover, bearing in mind a high level of public debt and budget deficit, one should not overlook the possibility of infrastructure privatisation, also as regards motorways currently under the management of the public party. The experience of Italy and France in this respect

shows that such a step allows for a rapid reduction in the public debt and for speeding up the process of infrastructure development, with the standards of safety and quality met.

The above-mentioned development areas of the Group require constant monitoring of not only the Polish motorway market but also regulations pertaining to the EU motorway market.

3. System of internal control

The Management Board of Stalexport Autostrady S.A. is responsible for the system of internal control and its effectiveness. The system of internal control and risk management as regards drawing up of the financial statements involves the procedures for drawing up and approving the financial statements and periodic reports in force in Stalexport Autostrady S.A. The system makes it possible to monitor the liabilities and to control the costs and the achieved results on the date-to-date basis. The financial data, which is the basis for the financial statements and periodic reports, comes from the accounting and financial system IMPULS, into which the documents are entered in line with the Company's accounting policy based on the International Accounting Standards.

The financial statements are drawn up by the financial and accounting staff under the control of the Company's Chief Accountant and then verified by the Vice-president of the Management Board (CFO) in cooperation with the Finance Management Director, and their final wording is approved by the Management Board in the form of a relevant resolution.

The financial statements approved by the Management Board are subject to verification of an independent auditor – a chartered auditor (in 2015, similarly as in years 2012-2014: Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its seat in Warszawa) selected by the Company's Supervisory Board. Subsequently, pursuant to § 18(2)(1) of the Company's Statutes, the Supervisory Board – following the recommendation of the Audit Committee, each year verifies whether the audited financial statements of the Company and the Group are consistent with the books and documents and whether they reflect the actual state, and notifies the shareholders of the results of this verification in its annual report.

The Company systematically monitors the changes in the law and the external regulations concerning the stock exchange reporting requirements, and it takes steps to implement them in advance. In 2015, particular attention was paid to studying and proactive preparation for the new UE regulations regarding capital markets, specifically in relation to the obligation of public companies to disclose information as well as the rights and responsibilities of members of managing bodies in such companies.

4. Risks inherent to the activities of the Company

The Supervisory Board agrees with the views expressed in the 2015 reports of the Management Board that the basic risks and threats as well as significant external and internal factors affecting the activity of Stalexport Autostrady S.A. can be divided into two general groups: one related to the A4 Katowice-Kraków motorway project implementation, and the other to the lease of office space and investing the Company's existing financial resources.

In relation to the A4 Katowice-Kraków motorway project implementation, most risk factors are either of an economic nature, such as the general economic situation and the current condition of the construction works market, or connected with the political and legal situation.

The economic situation in Poland has an impact mainly on the number of vehicles using the A4 motorway (this factor affects mainly the truck traffic) and thus on the level of revenue from toll collection generated by the Concessionaire. The Group mitigates this risk by means of adequate (optimal) price policy and by taking actions aiming at the improvement of the customer service quality on the motorway section managed by the Group by the replacement of toll collection equipment (currently executed), which shall make it possible for the customers to pay for using the motorway by diversified means of payment.

As far as the construction work market is concerned, the economic boom period increases the prices of construction services and decreases the profitability of the A4 Katowice-Kraków project, whereas in the period of economic slowdown, the Group may negotiate more favourable conditions for the execution of necessary works, thus more funds remain at the disposal of shareholders. The Company makes efforts to mitigate the risk within this area by active management, as authorised under the Concession Agreement, of the schedule of planned and carried out construction works.

Institutional and legal instability of the environment regulating the infrastructure sector in Poland is the main factor from the political and legal risk group. By means of promotion of good practices and solutions aiming at creation of suitable legal framework for the execution of infrastructure projects and by active participation in a public debate regarding new legislative solutions, etc., the Company makes efforts to prevent these risks. This risk group includes also the potential efforts to change the existing law, which may affect the revenue or expense level of the A4 Katowice-Kraków project. It is worth emphasising that the Concession Agreement includes provisions which make it possible to claim compensation from the State Treasury if the public party takes actions that adversely affect the profitability of the A4 Katowice-Kraków project.

Additional risks are also related to the decision of Urząd Ochrony Konkurencji i Konsumentów [Office of Competition and Consumer Protection] (hereinafter referred to as "UOKiK") in which UOKiK stated that the practices of the Concessionaire infringed the competition by "charging unfair prices for using the toll section of the motorway in the amount specified in the price list, in spite of the repair works being carried out within this

section, resulting in major traffic problems” and ordered to stop these practices. When performing the repair works causing substantial problems to the traffic in the future, the Concessionaire should respect the stipulations of decision in its tariff policy.

With respect to the lease of office space and investing the existing financial resources, the risks concern the current economic situation and investment climate as well as the market interest rate.

The economic situation in Poland directly affects the office space lease market and thus the size of the unoccupied (unleased) space and the rent rates. The Company mitigates this risk by the application of a flexible price policy and by making other efforts to increase the attractiveness of the office space and to improve the user safety. Furthermore, the Company makes constant efforts to win new lessees.

Owing to the revenue structure and the nature of the business, the financial results of the Company are subject to a relatively high interest rate risk. This risk is related to the changeability of the financial markets and manifests itself in changes in the money value. Stalexport Autostrady mitigates this risk by the diversification of the periods for which the funds for future motorway projects are invested.

Not only does the above-mentioned institutional and legal instability of the environment affect the implementation of the A4 Katowice-Kraków project, but also the entire activity of the Company and its Group, with particular emphasis on the functioning of Stalexport Autostrady as a public company.

The Company tries to counteract these risks by constant monitoring of all changes to legal regulations (both national and EU), by using consultancy services provided by companies specialising in a given field, by participation of the Management Board and the employees responsible for a given business area in training courses and conferences on new regulations, and by implementing appropriate procedures and good practices, both in the Company and in the entire Group.

The Supervisory Board, having reviewed the Management Board’s report on the activities of the Company in 2015, declares that the said report includes the required information on the operation of the Company in the financial year and evaluates the information positively.

To recapitulate, the Supervisory Board found no irregularities in the work of the Management Board or in the operation of Stalexport Autostrady S.A. and evaluates positively the situation of the Company and the activities of the Management Board.

IV. EVALUATION OF THE MANAGEMENT BOARD'S MOTION REGARDING DISTRIBUTION OF PROFIT FOR 2015

In line with §18(2)(2) of the Company's Statutes, the Supervisory Board reviewed and evaluated the motion prepared by the Management Board and addressed to the General Meeting regarding distribution of profit for 2015, and voiced no objections to the suggested profit distribution method.

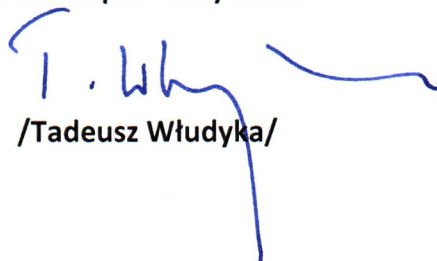
V. MOTIONS

The Company's Supervisory Board proposes that the General Meeting of Stalexport Autostrady S.A.:

- approves the Management Board's report on the activities of the Company for 2015 as well as the separate financial statements of Stalexport Autostrady S.A. for 2015,
- approves the Management Board's report on the activities of the Group for 2015 as well as the consolidated financial statements of Stalexport Autostrady Group for 2015,
- grants the discharge to the members of the Company's Management Board in 2015,
- passes the resolution regarding distribution of profit for 2015 in line with the motion submitted by the Company's Management Board.

Member

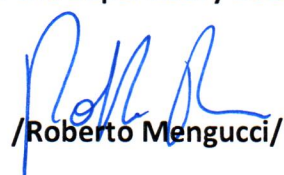
of the Supervisory Board



/Tadeusz Włudyka/

Chairman

of the Supervisory Board



/Roberto Mengucci/

2 March 2016

VI. A LIST OF RESOLUTIONS OF THE SUPERVISORY BOARD ADOPTED IN 2015

	Resolution No.	Resolution regarding:	Adopted on
1	01/02/2015	Approval of the Supervisory Board's reports for the financial year 2014	5 March 2015
2	02/03/2015	Providing an opinion on the draft resolutions of the Ordinary General Meeting (No. 1, 2 and 3)	5 March 2015
3	03/03/2015	Providing an opinion on the draft resolutions of the Ordinary General Meeting (No. 4, 5 and 8)	5 March 2015
4	04/03/2015	Providing an opinion on the draft resolution of the Ordinary General Meeting (No. 6 and 7)	5 March 2015
5	05/03/2015	Providing an opinion on the draft resolution of the Ordinary General Meeting (No. 9 – acknowledgement of the fulfilment of duties by E. Wąsacz)	5 March 2015
6	06/03/2015	Providing an opinion on the draft resolution of the Ordinary General Meeting (No. 10 – acknowledgement of the fulfilment of duties by M. Serwa)	5 March 2015
7	07/03/2015	Providing an opinion on the draft resolutions of the Ordinary General Meeting (No. 11-17 – acknowledgement of the fulfilment of duties by members of the Supervisory Board)	5 March 2015
8	01/06/2015	Awarding the annual bonus for 2014 for members of the Management Board	24 June 2015
9	02/06/2015	Determination of 2014 bonus tasks for members of the Management Board	24 June 2015
10	01/12/2015	Approval of the investment plan for the Company and Capital Group for 2016	21 December 2015